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THE FINANCIAL POST

Largest Circulation of Any Canadian Financial Paper

The Canadian Newspaper for Business Men and Investors

Vol. XXIX Member of Audit Bureau of Circulations PUBLICATION OFFICE: TORONTO, AUGUST 31, 1935 10c a Copy; $5.00 a Year No. 35

The Nation's Business

Mr. Bennett May Propose "National" Government

Our Major Problems

Alberta Results Promise to Hasten Financial Crisis

Canada Must Sell Wheat

Hudson Bay Route Has Little Traffic

Mr. Bennett For United Front

OTTAWA forecasts that Mr. Bennett will do some plain talking about the country's financial and economic position when he opens his election campaign next week. If he does so, he will merely be repeating what he said in private conversations and in talks behind closed doors last December.

If Mr. Bennett had said in his radio addresses of January last what he had been saying in private; had he called upon the country to tackle the country's major financial problems with a united front we might today have been further advanced toward their solution. But Mr. Bennett took the directly opposite tack; he plunged for a New Deal and thus further complicated the problems which must be solved before there can be any long term social or economic reform.

• • •

THERE is no public knowledge of what Montagu Norman, governor of the Bank of England, talked about on his recent visit to Canada. But if he communicated to Mr. Bennett what financial London thinks about Canada, then he must have told the Prime Minister that British investors are concerned about a number of Canadian problems. These at least he would have mentioned:

1. Unbalanced Dominion budgets.
2. Continued railway deficits endangering the credit of the nation and the solvency of our largest private corporation.
3. Confusion in provincial finance and the lack of a national scheme of debt conversion and budget control for all governments.
4. Continued fooling with the problem of our unsold wheat surplus.
5. Outbreaks of confidence-shattering guerilla warfare on investors, such as Vancouver's threatened bond repudiation, Ontario's power contract cancellation legislation and Alberta's vote for Social Credit.
6. Continued bankruptcy in our major producing and exporting industry—newsprint.

• • •

ALL or most of these are problems that lie on the doorstep of the Dominion government awaiting leadership. It may be that a truly national government will be needed to solve them. But Mr. King gives no indication that he will join in any national government movement. If Mr. Bennett has made overtures in that direction they have not been made publicly.

National government—if there is to be one—may have to be the outcome of an acute crisis arising out of the non-solution of these major difficulties.

• • •

Hastening the Crisis

THE results of the Alberta election promise eventually to involve the Dominion and may hasten a political crisis that will bring either united action or more courageous single-party action at Ottawa.

If Alberta, administered by inexperienced politicians, who have more evangelical fervor than knowledge of economic and business problems, is badly governed the blight must spread. The Dominion Government is already entangled. It has advanced large sums of money to Alberta, and is almost inextricably involved in the consequences of any financial experiments in that province.

Whatever government is in power in Ottawa after the forthcoming election will have to face the problem of what it is going to do about provincial finances. It cannot divorce Dominion finance entirely from provincial finance Temporarily terms can be dictated to any individual province. It may be necessary to refuse to back Alberta except under the absolute guarantee of capable administration and sound financial methods. Certainly the people of Canada as a whole cannot be expected to pour millions of dollars of Dominion money into Alberta to have it wasted in a glorious spree of paper money experimentation. But ultimately public

(Continued on page 2, col. 3)

Refinancing by Beauharnois Depends on Hydro Outcome

From Our Own Correspondent

MONTREAL.—Reports are that consideration is being given to the redemption and refinancing of Beauharnois Light, Heat and Power Co.'s 5½ per cent first mortgage bonds which mature January 1, 1973. The principal drawback to such a step is the possibility of difficulties with the Ontario Government over the company's contract with Ontario Hydro. If this matter is satisfactorily settled, it is understood the company may call the present bonds and bring out a new issue with a lower coupon rate, and carrying the guarantee of the controlling company, Montreal Light, Heat and Power Consold.

At the end of last year the Beauharnois operating company had outstanding $38,205,900 of first mortgage bonds, of which amount $50,000 was deposited with the Quebec Government and $6,584,270 was due the company by Montreal Power as underwriters.

Bonds Well Distributed

Under the plan of reorganization $24,148,000 of these bonds were taken up by the banks to satisfy advances made to the company. Subsequently $20,760,000 were publicly offered at prices ranging from 95½ to 101½. Bank holdings, therefore, are estimated to be well under 10 per cent of the total outstanding issue.

Another block of $13.5 millions was underwritten by Montreal Power. Old bondholders took up $4,758,000, leaving $8,742,000. This latter figure has been to $6,584,270 as Montreal Power made good on its underwriting.

The balance of the issued bonds—around half a million—were taken up by the Quebec Government in lieu of license fees, etc.

As far as can be determined of the total issue of $38,205,900, now outstanding, some $26 millions are in the hands of the public and the balance held by Montreal Power, the banks and the Quebec Government.

Refinancing could likely be carried out on a 4½ per cent basis with the Montreal Power guarantee. This would mean a considerable saving to the company in view of the relatively heavy discounts given to the original purchasers.

LIQUOR TAXES HANGING FIRE IN TRADE PACT

Visit of Canadian Officials Revives Hope of U. S. Agreement

ATTITUDE CHANGED

From Our Own Correspondent

WASHINGTON.—Latest reports here state that the Canada-United States trade agreement is once again turning toward completion.

The belief is, of course, that with Congress adjourned, every effort will be made to rush the pact through prior to the Canadian election on October 14. Presence of Canadian officials here in recent days in consultation with State Department officials lends color to this belief.

Much undoubtedly depends on the President and the extent to which he has been influenced by strong representations made to him in the past three months by interested U. S. producers who feel that any lowering of the trade barriers with Canada will seriously prejudice their position.

Liquor Duties Hang Fire

One important aspect of the negotiations of wide interest to Canada is the probable fate of existing high liquor duties. Close observers here believe a reduction of duties on spirituous liquors is part of the treaty negotiations but complete secrecy still surrounds even the commodities under review.

Assuming liquor is included, the best guess here (and it is only a guess) is that if the reduction does go through, it will be accompanied by a corresponding reduction in favor of French brandy and Scotch and Irish whisky. This scheme might be worked out either by means of an "on" or "off the record" arrangement with France and United Kingdom to hold their exports to a normal quantity.

Viewpoint Changed

Incidentally it is important to note a change of view on the liquor tax question here since last year. At that time it appeared likely that duties on spirituous liquors might be reduced irrespective of trade arrangements. The State department seems now to have blocked that plan.

BIG SURPRISE IS PREDICTED FROM PREMIER

Initial Bennett Broadcast Next Week to Startle Country

CONFIDENT

From Our Own Correspondent

OTTAWA.—Premier R. B. Bennett's initial broadcast in his campaign to open next week, is likely to take the country by surprise.

To those who regard the outcome of the present contest as already decided it may be something of a shock to realize, from Mr. Bennett's broadcast, that the leader of the Conservative party is far from being a beaten man.

Over Confident?

Mr. Bennett not only is not suffering from defeatism but he is, if anything, over-confident of the results of the election. In his own mind he is sure of victory at the polls and his confidence will be very evident as the campaign brings him more actively into the fray.

While all four radio broadcasts have been drafted, final touches remain to be added and the complete Bennett programme cannot yet be forecast. But the main appeal of the prime minister, it is believed, will spring from the fact that he proposes to speak to the electors in the plainest language possible; to lay bare for their inspection the actual conditions prevailing in Canada as he believes them to exist.

National Government

In the forefront of the Bennett appeal will be the pledge that if returned to office he will proceed forthwith to create a truly National government. He will analyze the present condition of the country and the problems which bar the way to prosperity to show that the times demand a non-partisan administration. Whether or no he will include, in this survey, the railway situation is not yet clear but the chances are that he will do so.

In the background of this national government appeal are the many possibilities of a sudden crisis—a crisis that may develop in connection with the Italy-Ethiopia dispute

(Continued on page 2 col. 5)

Explain Silverwood's Fiscal Transactions

Shareholders Meet Again Sept. 4 for Debt Cancellation

Extensive explanations of financial transactions within the widely-ramified Silverwood's Dairies Ltd. were given to shareholders at the annual meeting in London on Aug. 22

At the meeting, shareholders approved resolutions confirming the action of directors in making reimbursements to A. E. Silverwood and his personal companies and in cancelling dividend guarantees given by them and wiping out liabilities resulting from the guarantees.

Explanations and Report

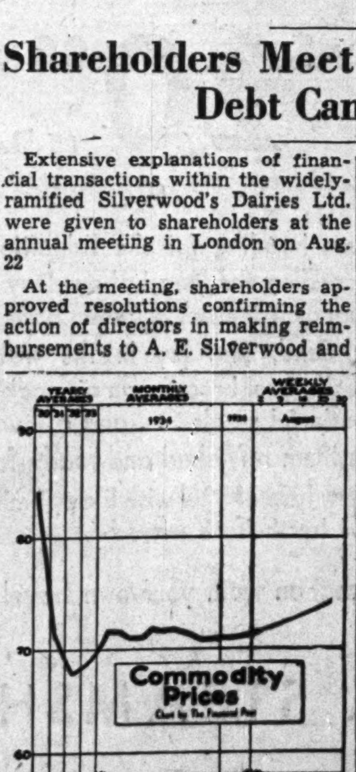
Further explanation of the transactions submitted to shareholders for approval is to be given at an adjournment of the annual meeting on Sept. 4. The adjournment was made to give more time to shareholders some of whom are reported to have complained that they got only one week's notice of the meeting on Aug. 22.

Auditors' reports submitted at the meeting on Aug. 22 were adopted by shareholders. The profit and loss account shows an improvement in net earnings of 41 per cent in the year ended March 30, 1935. It appears on page 15.

Audited statements will again be available at the meeting on Sept. 4. Complete printed copies of the annual report will not be available until some time after that meeting, it is understood. When released, they will contain the extensive explanations of "reimbursements" and "guarantees" given at the meetings. The details will make the report the most exhaustive issued by the company to date.

Particular interest in this year's annual meeting was aroused by a

(Continued on page 2, col. 1)



Wholesale commodity prices in the week ended Aug. 23, advanced to 71.8 from 71.7 in the preceding week, according to the index compiled by the Dominion Bureau of Statistics.

BREWING CORP. GAIN IN PROFITS DISAPPOINTING

Preferred Stays on Half Dividend; Profits Up $36,000

ENCOUNTER SNAGS

Taxation, Excess Capacity and Keen Competition Are Major Problems of Ontario Brewers

Quarterly dividend on preferred shares of Brewing Corporation of Canada due Oct. 15 will apparently be paid as usual at half the full rate, judging from remarks of president E. P. Taylor in his report for the quarter ended July 31.

With normal weather in September and October, working capital should be higher at Oct. 31, he says, "after payment of dividends...at the present rate." This is taken to indicate that the next payment will again be 37½ cents a share.

The earnings statement reveals an improvement in profits for the three months to July 31, 1935, over the same quarter of last year. But the $36,000 gain in net profit indicates but small benefit to the company from the favorable change in beer legislation in Ontario under which the company has been operating this year. The earnings statement is reported in detail on page 15.

Snags of Beer Trade

Major problems besetting the brewing industry and in particular Brewing Corporation have prevented the company from cashing in on freer beer sale in Ontario, which has multiplied the sale of the product three-fold in one year. These problems are merely hinted at by E. P. Taylor, president of the company, in his current statement to shareholders. Admitting that profits are "disappointing in the light of expectations" he points out that the company has "been faced with conditions which were unforseen a year ago."

But a survey of the field reveals what some of these "unforeseen conditions" are. One is the fact that governmental taxation has dipped deeply into profits. The provincial treasury is making much more out of beer than the brewers are earning.

Too Many Brewers

Another is the excessive number of breweries in the province. It is roughly estimated that each of the 600 breweries in the United States has annual sales of 75,000 barrels; that the seven breweries in Quebec have average sales of nearly 125,000 barrels. But in Ontario 30 breweries—of which nine are operated by Brewing Corporation—divide up a market that allows them sales averaging only about 30,000 barrels apiece per annum, which is hardly enough to make for profitable operations. Take from Ontario sales the output of the few principal breweries that are running near capacity, and there is only enough business left over to make it a grand scramble among the others.

Close Some Plants

Brewing Corporation has already bought and closed three plants. It would not be surprising if it contributed its share of the effort necessary in the future to close more plants. In the industry, it is felt that the province has probably six to ten more breweries than it can support. Where there were 38 breweries four years ago, there are now 30. Competition and rationalization together are expected to reduce this number materially in the near future.

The excessive number of seekers after business has led to a wave of price-cutting and rebating to get business from beverage rooms. While not exactly legal this price-cutting has continued and has become so demoralizing that this week the Ontario Liquor Control Board put its foot down and ordered both brewers and tavern-keepers to cease and desist forthwith.

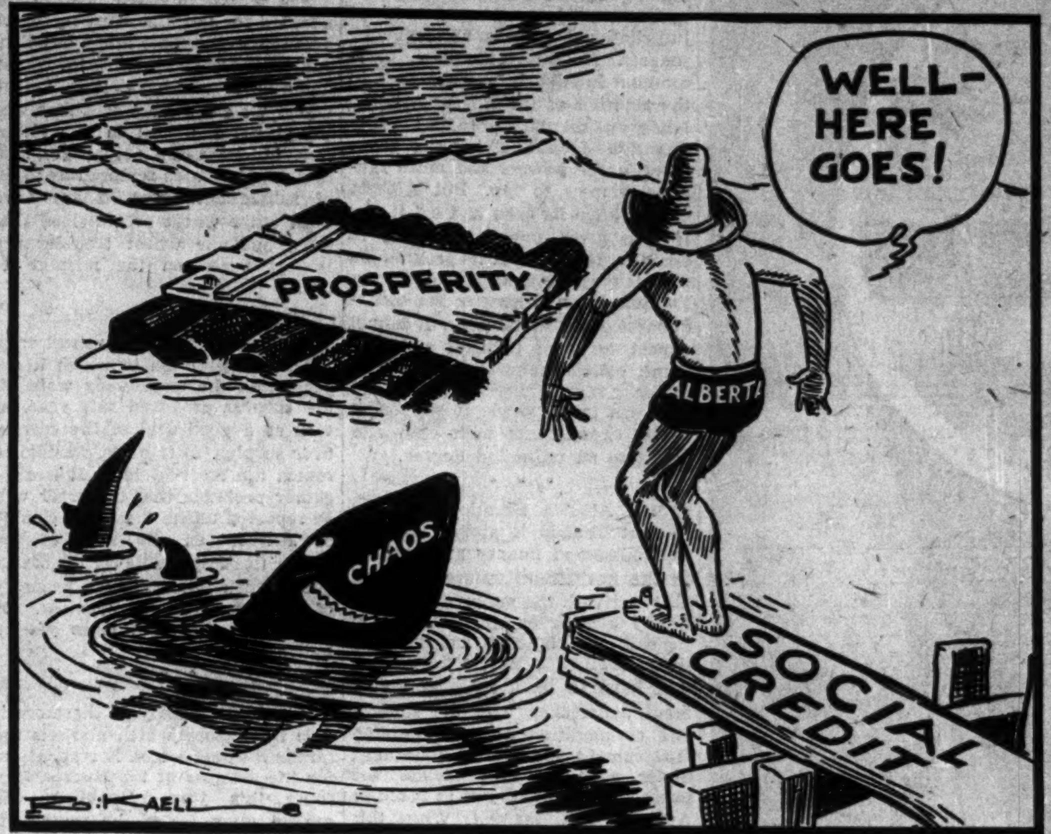
Competition Stiff

A third factor operating against the interests of Brewing Corporation has been the rapid rise in sales of Labatt's of London. Labatt competitors have no hesitation in ascribing the reason. The Labatt kidnapping has kept that family name on front pages for more than a year. Every news story has implanted the name in the public consciousness. Denied the privilege of advertising in any way, the other breweries have had to sit by and watch Labatt take business away from them.

A fourth adverse factor has been competition from the Quebec breweries who are doing a very large bottled beer business in Ontario. And bottled beer sale is more profitable than draught beer sale. The Quebec breweries also have an advertising advantage. They cannot advertise in Ontario—although they occasionally do so indirectly—but they are able to advertise in publications published outside the province, which publications have a large circulation in Ontario.

Price Problem

President Taylor of Brewing Corporation declares that steps are now being taken by the management and by the industry as a whole to improve the ratio of profits to sales. What these steps are is not stated but it is likely that they have some relation to the attempt to end price-cutting. Mr. Taylor says: "It is aimed to consistently improve profits each quarterly period. Sales," he says, "will be greater in August than last year."



CAN HE MAKE IT?

—Drawn for The Financial Post by R. Kaell.

International Milling Issue Oversubscribed

Issue of $4,500,000 of five per cent preferred stock of International Milling Co., Minneapolis, was oversubscribed early this week. The shares were offered at 99 by A. E. Ames & Co., Toronto, to yield about 5.05 per cent.

Last week the company's shareholders in Canada were offered the right up to Aug. 26 to buy as much new stock as they now hold of the six and seven per cent shares which have been called for redemption on Oct. 15. It had been anticipated that any portion of the issue not taken up by shareholders would be offered for public subscription. Shareholders bought heavily. Then, offers to buy the remaining portion of the issue were received by Aug. 27 in such volume that none of the issue remained for sale to the general investing public.

Three Companies Ready to Loan Housing Funds

From Our Own Correspondent

OTTAWA.—Three insurance companies are reported here as having sighed the contracts issued by the government in connection with the housing scheme and have been authorized by order-in-council to function under it. The companies are the Sun Life, the London Life and the North American Life.

More contracts are expected at Ottawa daily and further authorizations will be made from time to time. Two Toronto trust companies are said to have practically approved the contract.

Meantime applications for money under the scheme are being referred by the government to the three companies already mentioned. Once the applicant and a financial corporation have agreed upon a housing expenditure, the government will be ready to co-operate.

Butter and Egg Exchange Opens Montreal, Sept. 30

From Our Own Correspondent

MONTREAL. — Canadian Commodity Exchange will inaugurate trading facilities for butter, eggs and cheese on Monday, Sept. 30, Maurice Forget, chairman and president of the exchange, announces. Coincident with the fixing of the official opening date, Mr. Forget announces the election of W. S. Cameron, director of Canada Packers, Ltd., as a member of the exchange.

The exchange will provide "spot," "to arrive" and "future" contracts in butter, while cheese will have a "spot" and "to arrive" call and eggs will be traded for spot goods to commence with.

It Pays!

BRITAIN STILL FORGING AHEAD UNDER NATIONAL GOVERNMENT

MORE TRADE
MORE WORK
MORE WAGES
LOWER TAXES

SOUND FINANCE ALWAYS PAYS!

While Canada delays budget balancing and Alberta votes for monetary flapdoodle, Britain insists that "Sound Finance Always Pays."

Above is reproduced one of the posters the National government in Britain is using in anticipation of an early election.

SOCIAL CREDIT BRINGS CRISIS FOR ALBERTA

Province Needs Bank Help to Bail Out Treasury

ABERHART SANGUINE

From Our Own Correspondent

EDMONTON.—Fact that some of the $5.4 millions of "demand" savings certificates issued by Alberta are actually only payable after notice allows suspension of payments temporarily without placing the province in technical default.

Suspension of payments on certificates on Aug. 27 was due to extraordinary demands by mail for redemption of certificates payable "on demand." While official figures are not available, it is believed over $1,000,000 has been asked. There has been no line-up at the treasury wickets, but the mail demands have been numerous.

Seek Bank Help

No arrangement to take care of the situation can be made until after Sept. 3 when the Social Credit cabinet of William Aberhart's party assumes office. Calgary reports state that Mr. Aberhart is trying to secure co-operation, in the form of loans, from chartered banks to bail out the provincial treasury.

(It is known in Toronto that bank officials have been working on the Alberta situation. Negotiations are in the air until the new government is in office to deal with the treasury crisis caused by its election.)

Make Statements

Retiring U.F.A. government of Hon. R. G. Reid has stated that demands for payment of savings certificates are so heavy "that they can only be met by measures involving questions of policy that must be determined by the new government."

Mr. Reid's statement assured holders of Alberta certificates and bonds that interest would be paid as usual. The position of the province, he said, is "sound."

Cheeringly, Mr. Aberhart also made a statement as follows:

"There is no danger but what the certificates will be honored, and holders of certificates need have no apprehension regarding them. The province of Alberta is wealthy enough to meet all its obligations. What is needed is patience on the part of the people."

Meanwhile it is conceded that bank assistance or help from the Dominion government will be necessary to allow payment of certificates. The only other method of raising money would be a bond sale which is not considered possible at present.

Investors' Fears Realized

Worst pre-election fears of Alberta bondholders were realized when William Aberhart's Social Credit party was returned victorious at the provincial polls last week.

Immediate effect of the Social Credits' win was to depress prices for Alberta bonds. It has also caused a run on the Alberta treasury which has some $5.4 millions of "demand" savings certificates outstanding. Payment on these was suspended.

Despite these developments, a major bank official in Toronto stated to The Financial Post: "Alberta's finances are in a reasonably satisfactory position."

The Aberhart campaign has had a depressing influence on Alberta bonds for months, as shown in the figures on page 5. Bond dealers inform The Financial Post that even moderate sized blocks of Alberta bonds are not readily marketable. Bids are "thin."

Ask Treasury for Cash

Immediate difficulties for the Alberta treasury arise from the demands for cash from holders of government savings certificates. Although the Social Credit party was voted into office on Aug. 22, the U.F.A. government of Hon. R. G. Reid is still administering the prov-

(Continued on page 2, col. 3)

Highlights

Ethiopian Realm

Forty years late, Mussolini is after what he thinks a good thing. Treaties, politics, and hopes of empire lie behind front page news of the Italo-Ethiopian mix-up. Why it all may be considered worth a war. Page 9

Soft Drinks

Beverages have been selling better. But incursions of small manufacturers have dug into the earnings of many large dispensers of innocuous drinks. Page 3. Problems of Ontario brewers. Page 1

Merchandisers Victims?

Retailers claim that debt adjustment works against them under the Farmers' Creditors Arrangement Act. They say secured creditors get discriminatory preference. Merchants are acknowledged to have co-operated under the Act. Page 4

Good Business

All five of Canada's economic areas enjoyed better business in July than in the 1934 month, The Post's analysis shows. Figures reveal where the gains occurred. Page 7

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Auto Industry Well Over '34

Both output and sales of motor cars in July, while recording a seasonal drop from the previous month, were substantially above last year's levels.

			—Change— From Prev. Period	—Change— From Prev. Year
Monthly:		July	%	%
Car sales	$	7,468,353	—35	+10
Sugar melted	lb.	99,797,783	+9	—1
Auto. prod.	No.	13,069	—17	+17
Weekly:				
Carloadings	No.	43,101	+3	—1
Cattle sales	No.	18,344	+30	+34
Hog sales	No.	11,653	—3	—8

EAST. DAIRIES SUIT DORMANT PENDING TALK

Crescent Creamery Preferred Lawsuit Still in Court

CLAIM $966,667

Investors Say Eastern Dairies Drew on Crescent Creameries Prejudicing Preferred Dividend

From Our Own Correspondent

MONTREAL. — All information here is that the Winnipeg suit against Crescent Creamery Co. and Eastern Dairies has been withdrawn.

From Our Own Correspondent

WINNIPEG.—Suit entered recently in the Court of King's Bench here on behalf of Herbert Sellers, C. C. Wardrope and "all other owners of preferred shares" against Crescent Creamery Co., Winnipeg, and Eastern Dairies Ltd., Montreal, has been withdrawn for the present.

It is understood that representations have been made to the preferred shareholders instituting the action that the common ends of the Crescent Creamery Co., Eastern Dairies and the preferred shareholders themselves would be better served by a frank interchange of opinion. The end in view would be to reach some arrangement acceptable to all parties by avoiding continuation of legal proceedings. It is pending such an agreement that the suit has now been withdrawn.

Legal Viewpoint

W. C. Hamilton K.C., of the legal firm of Tupper, Adams, MacDonald and Campbell, Winnipeg, which filed the suit, points out that the time has not yet expired for filing the defense. He admits there has been some talk of mutual arrangement, but denies that the suit has been withdrawn in any legal sense or as far as records of the courts are concerned.

Repayment of amounts stated to total $966,667 is asked in the suit which was filed earlier this month. The allegation is made that sums of this amount, between August, 1927, and March, 1935, were taken from Crescent Creamery Co. and paid to Eastern Dairies. It is averred that part of this sum became available to Eastern Dairies as dividends on its common shares when at the same time there were no funds available to pay dividends to Crescent Creamery Co. preferred shareholders.

Several Defendants

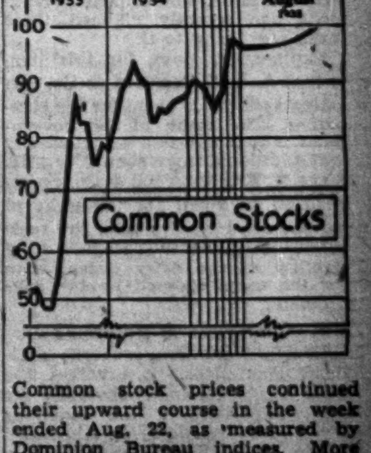
Named with Crescent Creamery Co. as joint defendants is Eastern Dairies Ltd., which controls the creamery firm through ownership of all the 50,000 common shares. Also named as defendants are: W. R. Aird, president of Eastern Dairies Ltd.; A. J. Nesbitt, of Nesbitt, Thomson & Co., which financed Eastern Dairies; E. W. King, secretary-treasurer of Eastern Dairies Ltd. All are Montreal men. Frank J. Donegani, Winnipeg, is also named as a defendant. He was a director of Crescent Creamery Co. until early this year.

Winnipeg officials of Crescent Creamery Co. decline to discuss the suit, stating they are interested only in the operating end of the business. They said, however, they understood the suit has been withdrawn. Manager D. M. Aird of Crescent Creamery Co. is in eastern Canada at present.

Toronto Interest

There is $1,000,000 of seven per cent preferred stock of Crescent Creamery Co. outstanding. Dividends were paid regularly to April 15, 1933, since which time only $1 a share has been paid. Since the balance sheet and earnings statement are now consolidated in those of Eastern Dairies Ltd., there is little public knowledge of just how the Winnipeg subsidiary has been doing.

Interest in the withdrawn lawsuit from the Toronto viewpoint centres around the $700,000 of seven per cent preferred stock of the former Farmers Dairy Co. Dividends on these shares have not been paid since Feb. 10, 1933. As in the case of Crescent Creamery Co., earnings and financial position of Farmers Dairy, now Acme Farmers Dairy Ltd., are not known precisely. Since acquisition of all the common shares of this subsidiary by Eastern Dairies Ltd., the Acme Farmers figures have been consolidated with those of the parent firm.



Common stock prices continued their upward course in the week ended Aug. 22, as measured by Dominion Bureau indices. More recently softness predominated. Indices appear on page 5.

It's Air Conditioned
- ITS COOL!
NEW MEN'S AND BOYS' FURNISHINGS DEPT.
In this setting of modern architecture with its invigorating atmosphere of sea breeze freshness . . . you will find it a real pleasure to select men's and boys' shirts, ties and other accessories from a range of the season's smartest.
MAIN FLOOR
QUEEN STREET

THE T. EATON Co LIMITED

EXPLAIN SILVERWOOD'S FISCAL TRANSACTIONS

(Continued from page 1)

notice mailed to shareholders about Aug. 12 informing them that the gathering would be asked to approve resolutions "confirming the action of the directors in making certain reimbursements to Silverwood Securities Ltd., A. E. Silverwood & Co., Ltd. and/or A. E. Silverwood and cancelling certain dividend guarantees given by them or him, together with any existing liability thereunder."

The notice did not give details of the transactions for which approval was sought. These, however, were given later at the meeting and to The Financial Post.

Silverwood Securities Ltd. and A. E. Silverwood & Co. Ltd. are investment and financing firms controlled by A. E. Silverwood, president of Silverwood's Dairies Ltd. Hence, for purposes of description, they may be considered as Mr. Silverwood's personal companies.

Four Resolutions Pass

Four resolutions concerning financial transactions of Mr. Silverwood and his personal firms were approved by shareholders of Silverwood's Dairies Ltd. on Aug. 22. The first resolution approves:

Repayment to Mr. Silverwood's firm of:

(a) $28,000 paid to Silverwood's Dairies Ltd. in connection with dividend guarantees on shares of Toronto, Guelph and Oxford dairies which dividends were later paid to Silverwood's Dairies Ltd. by the Toronto, Guelph and Oxford dairy companies.

(b) $35,000 charged by Silverwood's Dairies Ltd. against Mr. Silverwood's firm on account of 1930 head office expenses.

Explanations Given

Explanation of (a) is that Mr. Silverwood was only actually liable to pay the $28,000 under the dividend guarantee for a short period. Later, the Toronto, Guelph and Oxford dairies paid the amounts to Silverwood's Dairies Ltd. This was duplication of payment and made the $28,000 returnable to Mr. Silverwood under the terms of the guarantee. The resolution is to have this recognized.

Explanation of (b) concerns a portion of head office expenses for 1930. These expenses were those of Silverwood's Dairies which had been assumed temporarily by Mr. Silverwood.

Repayment of Costs

Second resolution approves repayment to Mr. Silverwood's interests of $10,885 for costs of charter and legal expenses for incorporation of Silverwood's Dairies Ltd. These costs were paid by Mr. Silverwood's personal interests instead of by Silverwood's Dairies Ltd.

Explanation given for this reimbursement is that these costs should have been paid by Silverwood's Dairies Ltd. The resolution simply recognizes that the company should pay for its own incorporation.

Third resolution concerns liability for $9,500 of stock transfer taxes on shares transferred for individual dairy companies through A. E. Silverwood & Co. The Ontario government has recently claimed these taxes are owing to it.

Explanation given for this item is that A. E. Silverwood & Co. was acting as transfer agent for the companies. The claim of the government is that it was a principal and that additional taxes should be paid. Since A. E. Silverwood & Co. claims it acted as agent for the units of Silverwood's Dairies Ltd., the resolution is aimed at recognition of liability of the dairy organization for the taxes claimed by the government.

Guarantees of Dividends

Fourth resolution concerns dividend guarantees. It involves the largest amounts and is obviously the most important of the sanctions given by shareholders on Aug. 22.

The fourth resolution cancels a dividend guarantee agreement between Silverwood Securities Ltd. as vendor, A. E. Silverwood as guarantor, and Silverwood's Dairies Ltd. The agreement was made Dec. 28, 1931, and the debt owing to Silverwood's Dairies Ltd. by Mr. Silverwood on this account is $128,459.

It is noteworthy that Mr. Silverwood and his Silverwood Securities Ltd. in turn have net claim against Silverwood's Dairies Ltd. in excess of $196,000. The resolution passed by shareholders makes cancellation of Mr. Silverwood's debt to Silverwood's Dairies Ltd. conditional upon cancellation by him of any present or future claims he would have.

Silverwood's Dairies Ltd., incidentally, has never carried its claim on Mr. Silverwood as an asset. Nor has it shown, even as a contingent liability, Mr. Silverwood's actual or potential claims on it.

Explanation of Guarantees

Guarantees of dividends by A. E. Silverwood arise from the manner in which control of many subsidiary firms was acquired by Silverwood's Dairies Ltd. from Mr. Silverwood and his personal firm, Silverwood Securities Ltd.

In 1928, 1929, 1930 and later, Silverwood's Dairies Ltd. acquired control of more than a score of individual dairy enterprises. They were formerly controlled by A. E. Silverwood through Silverwood Securities Ltd. Most of these individual companies had eight per cent preferred and common shares outstanding. The preferred was publicly held and most of the common in each firm was controlled by Silverwood Securities Ltd.

Silverwood's Dairies Ltd., the present holding company, acquired the common shares of many subsidiaries from Silverwood Securities Ltd. by giving in exchange its own class A shares.

Offers to Preferred

Holders of eight per cent preferred shares of various individual Silverwood units were offered seven per cent preferred stock in Silverwood's Dairies Ltd. in exchange for their holdings. Most of them accepted. This is where the dividend guarantees arose.

In order to pay its seven per cent preferred dividend, Silverwood's Dairies Ltd. depended on receiving preferred dividends from the various units acquired. Hence, Mr. Silverwood personally guaranteed certain dividends paid by Silverwood's Dairies Ltd.

He guaranteed that he would meet those dividends paid by the holding company to former holders of preferred and common stock in the subsidiary companies. He was to be liable to the extent that dividends received by the holding company from the individual subsidiary were less than the dividends paid to the subsidiary's former shareholders. If the individual company paid no dividends to the holding company, Mr. Silverwood was liable for the full dividend. If an individual company paid half its dividend to the holding company, he was liable to the holding company for the other half.

On the other hand, Mr. Silverwood held claims against Silverwood's Dairies Ltd., and against the individual company whose dividend he paid, for return of his payments. That is, his payments under the guarantee were to be returned to him if and when earned in excess of current dividend requirements. All the guarantees were for five years. The last expired March 31 this year.

The position under the guarantee agreement at March 31, 1935, was this. Total liabilities of Mr. Silverwood under the guarantee agreement had amounted to $352,720. He had paid $224,261, leaving a balance of $128,459 owing to Silverwood's Dairies Ltd. under the guarantee. This is the amount it is proposed to cancel.

Since Mr. Silverwood paid $224,261 under the guarantees, he has a claim for this amount against the various companies combined under Silverwood's Dairies Ltd. Deducting repayment of $28,000 to him, he has actual and potential claims against Silverwood's Dairies for more than $196,000. This claim would be cancelled if and when the debt of $128,495 is wiped out by shareholders.

Pays $351,068 for Intangibles

A. E. Silverwood assumed $351,068 of intangible assets of 12 subsidiaries of Silverwood's Dairies Ltd. in 1930. These intangibles were wiped off the subsidiaries' books and charged to A. E. Silverwood & Co., stock-underwriting firm controlled by Mr. Silverwood.

The intangible expenses concerned were largely prepaid organization expenses, bond discount and goodwill which had been carried as assets by the 12 subsidiaries. The aim in wiping these items off the books was to eliminate questionable assets from the balance sheet. At the time it was being planned to consolidate the debt of the whole Silvarwood dairy organization with a bond issue. This was never done, but the intangible items were nevertheless charged against A. E. Silverwood & Co.

The Nation's Business

(Continued from page 1)

finance must be viewed in a nationwide perspective.

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THE problem of revising the British North America Act is also brought to the fore again by the Alberta results. For the protection of our national economy there may have to be a strengthening of the central administration through a re-distribution both of jurisdictional powers and revenue sources. No doubt the new government in Alberta will ask that, in the revision of the B.N.A. Act, the tendency should be in the other direction—toward giving the provinces larger powers and more revenue sources to tap. But Alberta cannot have its cake and eat it too. If it is given powers sufficient to enable it to carry out its programme then it must be made to stand upon its own feet and assume the consequences of its own actions. It cannot expect to adopt political and economic policies abhorrent to the great majority of the Canadian people and then ask those people to support it in its experiments with cash and credit to an unlimited degree.

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THE Alberta situation indicates that Canada is moving rapidly to a climax in finance and politics. In the not distant future we shall be faced with the major problem of finally kicking out the prophets of the economic clap-trap, and restoring some stability to public finance. It will have to be a national movement undertaken with the support and co-operation of the Dominion Government and all the provinces. Sheer necessity will dictate the terms of our actions just as it did in Australia and England. When this time comes, as it must in the near future, the new Alberta government may find that the whole of Canada is larger than the sum of its individual parts and that the people of the country will not stand for more than a certain amount of economic experimentation in one area where the results of that experimentation must be spread over the whole country.

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Let's Not Repeat Mistake of 1929

BACK in 1929 Canada had a short wheat crop. The idea took hold in this country that other countries, which for a considerable time had been buying large quantities of Canadian wheat, had to have our grain. Consequently Canada refused to sell except at premium prices. The other countries proved that they did not have to take our wheat, and the Canadian wheat which could have been sold that year was replaced by wheat from other countries.

The refusal to sell in 1929, or the demand for too high a price, which amounts to the same thing, left Canada with a great quantity of wheat. Essentially we have that wheat, which we could have sold then and would not sell, still in our elevators, although the actual grain of that year has been replaced by grain of subsequent crops. There have been other wheat errors since that time, but our wheat troubles are largely based on the mistake of 1929.

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NOW we have another short crop, and a situation in which it appears that the world may want all the surplus produced this year, as well as a good deal of the carried over surplus. It is quite possible to repeat the error of 1929. It is altogether probable that the error will be repeated unless there is a change of attitude on the part of the authorities responsible for the carryover, which is largely the property of the Dominion Government. Of such a change there is as yet no indication.

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IN THE final analysis, therefore it is the agency which markets the farmers' wheat which is responsible for the collapse of the Hudson Bay route this year. Doubtless the prairie advocates of the route will see the irony in this fact. And the tragedy of the situation lies in the additional fact that a state investment of about $55 millions, plus the cost of maintaining a large ice breaker in the strait, several radio direction finding stations, customs and port staffs and a substantial number of stevedores at Churchill—all these can be nullified by the decision of one agency. On such slender foundations rests the northern route. There could be no more convincing demonstration of the utter impracticability of the entire project.

It is entirely fallacious to think that other countries must buy wheat from Canada. They can cut down their consumption. They can persuade Russia to part with some of her grain, which really ought to go to feeding their own people. They can persuade the populations of some countries to give up their wheat and make use instead of rye or of potatoes.

The Financial Post was almost alone among Canadian papers in calling attention to the error of 1929 while it was in progress. It will not be alone this year if the error is repeated for the country has become too conscious of its wheat problem to allow a repetition without vigorous protest.

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Who Wants to Use Hudson Bay Route?

THERE are elements of irony and tragedy in the controversy now under way in the prairie provinces with regard to the Hudson Bay route. The insurance season opened August 10 amid optimistic forecasts of various public and semi-public bodies to the effect that 1935 would top all records for Canada's infant trade route and inevitably bring further rate concessions from the insurance underwriters. The season ends in the first week of October and with some twenty days of this all too-brief period gone, it is reported that but two ships have entered Churchill. More than that, Ottawa has yet to learn that any additional ships propose to use the route this year.

In defending itself against western criticism, the Dominion government has pointed out that every aid to navigation on the route is being operated and that Churchill is completely staffed. It is not the business of the Dominion to hire ships to sail on Hudson Bay and if they don't choose to come there is nothing that Ottawa can do about it. In point of fact, the cargo which attracts ships is wheat and the government elevator at Churchill was full at the opening of navigation and remains nearly full today. The wheat in this elevator was owned chiefly by the wheat pools although it is reported that Dreyfus and Co., owned some of it. The two ships which have sailed the route — the Wentworth and the Leopold—were chartered to take out the Dreyfus wheat. Apparently the wheat pools are not selling and therefore there has been no demand for additional cargo space.

SUBMIT SEPT. 20 REORGANIZATION CANADA BISCUIT

Suggest Replacing Half Bonds With Preferred Stock

A reduction in the interest and amount of first mortgage bonds and a change in the name of the company are incorporated in a reorganization plan for Canada Biscuit Co. to be laid before the company's security holders at a meeting Sept. 20 in the office of the Royal Trust Co. at Montreal. It is proposed to change the name of the company to McCormick's Ltd.

Half Bonds, Half Stock

The present first mortgage, series "A," bonds are to be exchanged for 50 per cent of the principal amount in new bonds due 1950 and one new $50 par value preferred share for each $100 principal amount of bonds. Claims for unpaid interest and sinking fund payments due and unpaid up to and including May 1, 1935, are cancelled.

Principal and interest will be payable in Canadian funds. Until 1940 interest will be on an income basis and will be non-cumulative and payable annually. After that until maturity it will be a fixed charge payable semi-annually.

Capital Stock

The capital stock of the company is to be increased by the creation of an additional 65,000 common shares of no par value and by the creation of 25,000, 6 per cent non-cumulative redeemable participating preferred shares of $50 par value. Of the new preferred shares 17,905 shares are to be issued and allotted to holders of first mortgage bonds.

The trust deed securing the outstanding $285,000 prior lien bonds is to be amended so as to reduce the rate of interest to 5½ per cent from May 1, 1935, extend the maturity of the prior lien bonds to May 1, 1950, and to increase the authorized amount of the prior lien bonds by $200,000, making the total authorized issue $485,000. The increased amount of prior lien bonds is to be issuable for cash at not less than 90 and accrued interest.

SOCIAL CREDIT SHOCKS BONDS INTO DECLINE

(Continued from page 1)

ince's affairs. Mr. Aberhart has won the election, but Mr. Reid is cashier.

The question arises: Who will bail out Alberta? When Manitoba's savings offices succumbed to a run the chartered banks did the bailing out with a Dominion guarantee.

Treasury Position

At the end of June there were $10.2 millions of Alberta savings certificates outstanding, $5.4 millions of them payable "on demand." The government held $2.1 millions of cash and securities against the certificates. The collapse of bond prices has precluded Alberta from raising cash by sale of bonds. The treasury has paid out a good deal of cash to certificate holders.

Between March 31 and June 30 last, when the Social Credit campaign was becoming menacing, there were net withdrawals of $630,069 by certificate holders from the Alberta treasury. This is shown below:

Alberta Savings Certificates

	June 30 1935	March 31 1935	Change
Type:	$	$	$
Demand ...	5,375,978	5,629,293	—253,315
Term	4,868,085	5,244,839	—376,754
Total	10,244,063	10,874,132	—630,069
Assets for security:			
Cash			
bonds	2,114,687	3,294,279	—1,179,592

Says He'll Pay Debts

William Aberhart, Calgary pedagogue, preacher and quasi-economist, who is Alberta's premier designate, has stressed his intention of meeting the province's debts ever since the election. Offsetting this in the minds of creditors, however, is Mr. Aberhart's "easy money" promise to pay a monthly "basic dividend" of $25 to every Alberta adult.

Aberhart states:

"Social Credit is determined to maintain the credit of the country at par. There is no better investment in Canada than Alberta bonds at the present time. We have no intention of confiscation or repudiation in any way."

It is in fact an integral claim of the Aberhart version of "Social Credit" that it will allow liquidation of all Alberta's debt. Bondholders scoff at this.

Against Mr. Aberhart's self-assurance comes the statement of Premier L. A. Taschereau of Quebec: "I am convinced that new elections will be held in Alberta within six months as, otherwise, I believe that the province will find itself in bankruptcy."

Douglas View

The Aberhart version of "Social Credit" differs from that of Major C. H. Douglas, British engineer, who invented this economic cult. Only recently, Major Douglas stated:

"It would appear upon the face of it that Mr. Aberhart has not grasped that Social Credit involves the creation of additional purchasing power, either by the reduction of prices below cost, for the purpose of enabling the consumer to obtain more goods for a given amount of money in his possession, while the financial deficit thus caused is made up to the producer in fresh credit, or by issuing additional sufficient purchasing power which is not passed through the costing system, and therefore does not increase prices, in the form of a national dividend, or more probably by both of these methods together."

Despite this seeming difference with Mr. Aberhart, it is reported that Major Douglas will be called to Alberta to help inaugurate a "Social Credit" system.

Puzzle for Analysts

One of the questions that puzzles analysts of the Aberhart scheme is how Albertans will be able to buy national currency with the "credit notes" which he proposes to issue. What credit would an Alberta merchant have, for instance, with an extra-provincial manufacturer? How will Aberhart "credit notes" be converted into national money to pay interest and debts, say, in eastern Canada? Would Alberta residents themselves take the "credit notes" in satisfaction of debt? If so, what would be done about paying in national currency those who accumulate credits?

Ottawa Not Alarmed

From Our Own Correspondent

OTTAWA.—Political and official circles at Ottawa are more interested than alarmed by the overwhelming success of William Aberhart in the Alberta elections.

The leader of the Social Credit party is generally put down as a well-meaning visionary who believes he can create credit in sufficient volume to give the adult population a monthly hand-out of some $25 each.

Chief interest at Ottawa centres on two aspects of the Aberhart crusade against poverty. The first is concerned with the extent to which Mr. Aberhart will attempt to put his policy into operation. It is generally thought that when he takes over control of the government and meets the provincial legislature he may forget about his election promises and carry on the administration along same lines.

Favor Latitude

If not, the next point which is being carefully considered is this: How far should Mr. Aberhart be permitted to go before the Dominion intervenes? It is believed that sooner or later the premier designate of Alberta will have to circulate paper certificates which, in effect, will be equivalent to money. If he does, the Dominion authorities will have to consider whether or not their constitutional control over money and banking will be invoked.

The consensus of opinion is that, regardless of the strict letter of the law, the Dominion should give the social credit government all possible leeway in carrying out the dividend policy. Mr. Aberhart, it is said, should be given no alibis for failure.

BIG SURPRISE IS PREDICTED FROM PREMIER

(Continued from page 1)

and its reaction on the British government.

Has Possibilities

Official despatches received at Ottawa from London, it is learned, do not minimize the gravity of the international situation. As August draws to a close and the scores of candidates throughout the country are fighting the domestic issues of the campaign, it is clearly realized at Ottawa by those in close touch with the situation that Great Britain may be at war with Italy before September ends. Great and momentous decisions may have to be made at Ottawa in the absence of a Parliament and in the turmoil of a campaign.

It is thought possible that this situation may greatly strengthen the appeal of the national government cry.

Constitutional Reform

Mr. Bennett will also place great stress on the need of constitutional reform. He will pledge his party to attack the constitutional problem, through the agency of a non-partisan government, immediately after being returned to office.

Once the constitution has been revised, the way will be open to proceed with the programme of social reform.

The problem of debt conversion, also, will be presented as one which can best be dealt with by a national government.

Tariff Challange

On the tariff, Mr. Bennett will accept the challenge of the Liberal party. He will point out that a return to the level of the Dunning tariff will mean bankruptcy to fifty per cent of Canadian manufacturers. He will argue that the markets of the world are not open to Canadian products and that foreign tariffs cannot be forced down merely by destroying Canada's protective system. All that would happen he will maintain would be that the Dominion would become the dumping ground of the world, would be bankrupted without the slightest advantage accruing to her exporters.

On the question of trade, it is believed that the position is still in doubt owing to the incomplete nature of the reciprocity negotiations at Washington. These negotiations are likely to be resumed with vigor the moment that Congress concludes. Two weeks, it is said should demonstrate finally if an agreement can be concluded. If so, it will be a useful club in Mr. Bennett's political golf bag. If not he will rely more completely upon the Ottawa treaties and the need of safeguarding them in 1937 when they come up for renewal and revision.

Finally, Mr. Bennett will make a sustained drive for prairie seats on the record of John I. MacFarland's administration of the central selling agency of the wheat pools. Posters are being printed and will be placarded over the rural areas of the west in tens of thousands. These posters declare that Mr. McFarland, with the guarantee of the Bennett government, has saved wheat farmers from ruin; has put $150 millions into their pockets more than they could have obtained on world markets. More than that, Mr. Bennett will ask their support for the wheat board policy enacted last session.

There may be passing references to Hon. Harry Stevens but in the main, Mr. Bennett proposes to fight the election on the straight issues of the day and he will enter the campaign supremely confident of victory.

Obituary

George H. Smith, first vice-president and general manager of the Canadian Permanent Mortgage Co. and the Canada Permanent Trust Co., died in Toronto on August 26 in his 69th year. Mr. Smith was also a director and vice-president of the Masonic Temple Corporation, Ltd., director of the Continental Life Insurance Co., and was a member of the Canadian Advisory Board of the Sun Insurance Co., Ltd., London, Eng.

Frederick Hunter Lytle, partner of the firm of Stewart, McNair & Co., Toronto, since 1927, died on August 25, aged 51.

FEATURES
In the September issue
THE CANADIAN CHARTERED ACCOUNTANT
Background of the Wheat Problem
Oil and Gas Well Accounting
Treatment of Premium Paid on Redemption of Preference Shares
Amendments to the Dominion Companies Act
Summary of Reports of Royal Commissions on Natural Resources of Alberta and Saskatchewan
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Soft Drinks ~ ~

Sales Increase but Profits Low—Competition from Small Manufacturers Seems Certain, That from Beer Not so Sure

Consumption of soft drinks in Canada and the United States appears to have been on the up-grade for two years. The gain is not evident in the financial statements appearing from time to time of the larger companies but one reason is that small manufacturers are now showing surprising energy in going after local business in various smaller towns and cities. The branded products retain their pre-eminence but their sales and profits are eaten into from a number of quarters. The one exception seems to have been the Coca-Cola Company which has reported increased sales and profits for some time.

Canada Dry Ginger Ale, Inc., the best-known company to Canadian investors reports a loss of $85,810 for the quarter ended June 30, 1935. Doubtless in the United States as in Canada both alcoholic and carbonated beverages all showed the effect of the late spring and cold, rainy days of early summer. P. D. Saylor, chairman of the board, attributes that company's profit decline to greater expenses as a result of a New Deal government trying to finance social change by increasing taxes.

Chains Compete

Mr. Saylor's further remarks are of interest: "In the meantime there has developed in the Eastern and Middle Western states an unprecedented aggressiveness by local bottlers manufacturing a type of ginger ale which substantially undersells the quality product of your company. Also the development of private brands, made for the chain stores at a price designed to undersell the national brands, is becoming increasingly wide-spread. Such low-priced competition naturally affects the sales of your company. There is also a perceptible decline in the use of ginger ale as a mixing agent for alcoholic beverages. On the other hand, the latter decline is somewhat offset by the increased use of sparkling water for such purposes."

This trend might indicate a movement away from rye whisky and ginger ale toward the "Scotch and soda" type of drinking. What is more likely, it is said, however, is further inroads by gin, which is usually drunk with fruit juices and water or wine.

Canadian companies also report heavy competition from chain stores and other sources on a price basis.

Distribution to homes in Canada is generally through retail stores, chain stores and drug stores. On hot days large quantities are drunk outside the home at ice cream and soda water counters of drug stores and restaurants, in hotels, at hot dog stands and wayside booths.

As in the United States chain store organizations have developed private brands made for them by companies desirous of quantity sales and willing to divide profits. Loblaw Groceterias and Dominion Stores, for example, both sell private brands in large numbers as well as advertised brands. This has doubtless a considerable effect in Canada as well as in the United States.

Had Swift Rise

In 1930 the average American drank 110 bottles of soft drinks or $5.50 a year. Sales of candies and other products containing sugar have shown increases as well. Sales of ice cream have doubled since 1920. Two or three times as many citrus fruits are used today.

Two decades ago the industry in Canada and the United States had circus pop in a few standard flavors, such as sarsaparilla. Small local plants would look after the distribution. Huge companies today such as Coca-Cola and Canada Dry Ginger Ale with thousands of employees and millions of dollars of taxes produce and widely advertise soft drinks of much better quality. Many fruit and artificially flavored drinks not known 10 or 12 years ago now are produced in large quantities. Wayside beverage booths and thousands of soda fountains have a combined annual sales volume of $2 billions of beverages, food, ice cream and candy in the United States and Canada.

Profits Low

And yet the statement made by Mr. Saylor and statements made by Canadian executives show that it is a tough industry to make profitable at present in Canada as well as in the United States. In Ontario, Brewing Corp. of Canada has segregated its soft drink business in Consolidated Beverages. O'Keefe's had a large sale in ginger ale and ginger beer and this and the business of Orange Crush and other companies are being conducted under central selling auspices in an attempt to cut overhead.

A survey of the whole Dominion shows profits have been low in recent years. Sussex Ginger Ale, New Brunswick, has paid no dividends on preferred stock since 1932. Charles Gurd & Co., well-known Montreal firm, has not paid common dividends since June 1, 1933 and Charles Gurd (Maritime) has not paid dividends on preferred since June, 1932.

In the Toronto area the competition of the larger companies will doubtless be intensified as the result of the commencement of operations in Toronto by Charles Gurd & Co. That company bought out a local plant but put in new machinery and made marketing arrangements so that in recent weeks its products have been offered to every principal merchandiser of soft drinks in Toronto.

In Ontario a statement has yet to be made by Consolidated Beverages but there is a long way to go before costs of selling are cut materially. Competition is very keen. Orange Crush has not paid a first preferred dividend since April 1, 1932. Honey Dew, its subsidiary, has had other troubles but its report showed only a moderate improvement in 1934 over 1933. It expected better things in 1935 but its court troubles continue.

Associated Breweries of Canada appears to have been giving a good account of itself but a separate statement is not made of its soft drink sales in Lethbridge and district. Nor is Western Brewing Company's subsidiary, Drewry's Ginger Ale of Canada, Ltd., publishing its results in Manitoba, Saskatchewan and British Columbia.

374 Plants Make Pop

These are only the public companies. At the end of 1933 there were 374 plants in Canada making non-alcoholic carbonated beverages: 145 in Ontario; 113 in Quebec; 26 in Nova Scotia; 23 in British Columbia; 21 in New Brunswick; 15 in Saskatchewan; 14 in Alberta; 14 in Manitoba and three in Prince Edward Island.

Dominion Bureau of Statistics reports sales as follows: 1931—$13.1 millions; 1932—$11.1 millions; 1933—$9.4 millions. In 1934 the total exceeded $11 millions and in 1935 it may get up close to 1931 levels. Much depends on how long the hot weather lasts.

Beer Competition

Opinions differ as to how much effect increased sale of beer, ale, wine is having on soft drink sales. Brewers say their gains have been at the expense of hard liquors and home brewing and that soft drinks have not been affected. Consumers of beer and ale consulted are inclined to think the greater availability has led to less being consumed by them in the way of soft drinks but they generally add that they were not heavy drinkers of carbonated beverages in any case.

The Canadian is far outstripped by the United States citizen as a drinker of aerated drinks. Whereas the latter takes $5.50 a year the Canadian's average intake is $1.30 a year. But the staggering intake of the American encourages the soft drink manufacturer to think perhaps he may yet develop a beverage or a container which will send his Canadian totals upward.

Total Sales Gain

A recent survey in United States shows that the repeal of prohibition was followed by an actual increase in the sale of soft drinks.

The consumption of bottled soft drinks in 1934 was one fourth greater than in 1932, the last full year of prohibition. Just how statisticians find out what smuggled and bootleg liquor was consumed is not stated but they say that despite an increasing population, less alcoholic beverages were consumed in the first year of repeal than in the year just before prohibition began. In the four months after repeal, flavored drinks had a 14 per cent increase, fruit juice drinks a 55 per cent increase and mineral and table water drinks a 16 per cent increase These figures are based on U.S. treasury reports of tax collections on manufactured soft drink products.

Better business conditions have had something to do with this increase. The increased use of fruit juices and products such as ginger ale for mixing with alcoholic beverages had some effect. Nation-wide advertising was another factor. But most of the increases in sales are believed to be due to marked improvements in the methods of preservation and distribution of fruit juices. During the years of 1921 to 1929, the years of prohibition and prosperity, the field for bottled soft drinks in the United States nearly doubled. During the first three years of the depression, sales dropped to 54 per cent of the 1929 total. In 1933 sales gained 25 per cent over 1932. That level was maintained in 1934. Another substantial gain is expected in 1935.

RAILWAY ORDERS OF $9.8 MILLIONS GO TO FIVE FIRMS

Long-expected Equipment Work Placed by C.N.R. and C.P.R.

From Our Own Correspondent

MONTREAL. — Railway equipment orders amounting to $9.8 millions have been allocated to five manufacturing plants in Eastern Canada under the plan of arrangement entered into whereby the Dominion Government advanced $15 millions to the C.N.R. and C.P.R. for the purchase of new equipment and repair of old equipment.

Canadian National will secure $6,791,155 worth of new cars and locomotives and the Canadian Pacific orders total $4,355,408.

The Canadian Car and Foundry Co. will supply equipment to the value of $3,613,549; Eastern Car Co., $1,986,175; National Steel Car Co., $2,552,939; Montreal Locomotive Works, $1,166,000 and the Canadian Locomotive Works, $492,900.

Details of C. P. R. Orders

Following are the Canadian Pacific equipment orders:

Canadian Car and Foundry; 700 40-ton steel sheathed box cars at $3,459 each, total including sales tax $2,421,314; National Steel Car Corp.; 150 40-ton freight type refrigerator cars at $5,736 each, total $860,524, 100 50-ton hopper cars at $3,455 each, $345,551, 170 75-ton composite high-side drop-bottom gondola cars at $4,282, total $728,019.

C. N. R. Let Contracts

Canadian National Equipment orders:

Canadian Car and Foundry, 250 automobile cars at $3,475 each, $920,875, 80 sand cars at $3,200 each, $271,360; National Steel Car Corp., 150 automobile cars at $3,475 each, $552,525, eight snowplows at $9,000 each, $76,320; Eastern Car Co.; 200 refrigerator cars at $5,400 each, $1,144,800, 250 gondola cars at $3,175 each, $841,375; Montreal Locomotive Works, five 4-8-4 type U-2-D locomotives at $105,000 each, $556,500, five 4-8-4 type U-4-A locomotives at $115,000 each, $609,500; Canadian Locomotive Works; five 2-8-2 type A-4-B locomotives at $93,000 each, $492,900; Canadian National Railway car shops, 250 refrigerator cars at $5,000 each, $2,325,000.

U. of T. Investments Show Good Record

Market Value of Securities $607,684 More Than Book Value

Last year the investments of the University of Toronto were worth $604,684 more than the book value at June 30.

The investment record of the University is more satisfactory than those of many investment trusts.

Securities held consist chiefly of Dominion and provincial government bonds with a leavening of Ontario municipal bonds and some corporation securities received as bequests.

Annual report of the board of governors of the U. of T. for the year ended June 30, 1934, has been released and shows the book value of investments, including accrued interest, at $7,389,233. The securities are held in safe keeping by The Canadian Bank of Commerce, with which institution the University does most of its banking business. E. C. Clarkson, auditor of the university's accounts, reports that he checked the investments twice in the year and found them in agreement with the bursar's records.

Two Defaulted Issues

There are only two issues of defaulted bonds in the University's portfolio. There was $21,000 of town of Mimico 5½ per cent bonds of 1942-45, carried on the books at $21,919, on which interest was in arrears $2,310. The other defaulted security was $19,047 of Essex Border Utilities Commission 5½'s of 1945-47. Book value of these bonds was $19,802 and arrears of interest totalled $2,095.

The University received no interest on certain non-trustee securities which were received from E. A. Wallberg and E. C. Whitney bequests.

Comparison of Values

Comparison of book value and market value of the University's investments has been as follows:

Investment Values U. of T.

At June 30:	Book value	Apprec. (+) or deprec. (—) from mkt. val.
	$	$
1932	5,887,347	—382,966*
1933	6,014,206	+51,681
1934	7,389,233	+604,684

*At Oct. 31, 1932, depreciation was only $9,027.

The chief cause of the depreciation of investments from book value in 1932 was that the yearly audit was made only shortly after the severe slump of government bond prices late in 1931 and early in 1932. It was pointed out at that time that the market value of the securities is only of incidental importance to the University. Since interest on the investment is as nearly certain as possible, the important thing is that the securities are held until maturity. Hence, the full yield on the purchase price is received.

Explanation of Values

The auditor's report for 1932 also pointed out that by October, 31, 1932, the market value of investments was only $9,027 below book value.

It is noteworthy that bonds of the type held by the University have risen in value by an average of about four per cent since June 30, 1934. Hence, the report for the 1934-35 year is altogether likely to show further appreciation in market value of the university's holdings.

It should also be noted that the cause of the increase in book value is that additions have been made to investments. The increase does not represent any writing up of values, except on account of purchases. In 1933-34, for instance, the University disposed of some $400,000 of bonds and stocks, but added nearly $1.9 millions to its portfolio.

Investments are shown:

Investments Held by U. of T.
As at June 30, 1934

	$
Dominion bonds	2,164,920
Ontario bonds	2,396,162
Other government bonds	196,649
Municipal debentures	546,020
U. of T. debentures	666,319
Corporation debentures	106,090
C. P. R. and other stocks	267,085
Trust inv'ts Banting Found'n	681,705
Loan to Athletic Association	65,000
Loan to Hart House	12,000
Accounts receivable	27,722
Bank deposit	259,561
Total	7,389,233

Athletic Association

The item of $65,000 "loan to Athletic Association" is of some public interest, since the U. of T. Athletic Association does not publish its own accounts. This item represents the undischarged portion of an original advance made by the governors to the Athletic Association for the erection of its modern hockey rink.

The book value of the structure is $223,070, and at one time the advance from the board was shown at $180,000. This loan was reduced by substantial amounts up to 1932. The last repayment was $10,000 in the 1931-32 year. Deducting the present loan from the book value of the structure, the equity of the Athletic Association in the rink is $158,070. From this, of course, some deduction should be made for depreciation.

Surplus Shown

Revenue and expenditure of the university left a large enough surplus in 1933-34 to wipe out the previous year's deficit and to leave $64,760 to be applied against 1934-35 expenditures. This result, of course, is accomplished with substantial aid from the province of Ontario, as shown in the following comparison:

U. of T. Revenue and Expenditure
Years Ended June 30

	1934	1933
	$	$
Revenue:		
Legislative grants	1,517,000	1,517,000
Supplement. grant	150,000	......
Fees	671,831	698,489
Conting. fund transfer	......	137,880
Other revenue	331,812	327,792
	2,670,643	2,681,161
Expenditures	2,507,725	2,668,251
Interest to funds	60,189	50,879
Deficit, 1933	37,969	......
Year's surplus	64,760	*37,969

*Deficit.

FIRE DESTROYS CHICOUTIMI UNIT OF QUEBEC PULP

Damage to Idle Plants Placed at $500,000 — All Mills Gone

From Our Own Correspondent

MONTREAL.—Practically all the plant of the Quebec Pulp and Paper Co. at Chicoutimi was destroyed by fire last week-end causing an estimated damage of around $500,000.

The mills, active a few years ago and having a rated capacity of 350 short tons of groundwood pulp per day, have been closed since 1930. Only watchmen were in charge. No cause for the outbreak has been determined.

This fire wipes out all the productive facilities of the Quebec Pulp and Paper Corp. At one time the company had four plants, three at Chicoutimi and one at Val Jalbert. The latter plant was dismantled some time ago.

Only Maintain Property

Control of Quebec Pulp and Paper rests equally with Price Bros. and Co. and Consolidated Paper Corp. About three years ago the management drew up plans for a capital reorganization of the company, which are understood to have involved the distribution of some of the company's more liquid assets.

Owing to the bankruptcy of Price Bros., it has been impossible to carry out this reorganization and, meanwhile, the management have continued their policy of keeping the plants closed down and conserving liquid resources.

Canadian Hotel Business At Highest in Five Years

Hotel earnings are reported to be on a higher level than in the past five years.

Much of this improvement must be attributed to a more active tourist business this season. Hotels in British Columbia, Quebec, the Maritimes and Northern Ontario have been particularly blessed with this type of business. In Ontario, Alberta and Saskatchewan, although tourist trade is also an important factor, beer and wine are considered the magnet which attracts more customers.

Another most encouraging influence in effecting additional revenue has been improved commercial business—meaning by that, business acquired through increased selling activities of manufacturing and distributing concerns. This has arisen, it is believed, because of progress in recovery to date, and also because of a more optimistic view of the future.

Credit losses have been on the decline. For this development, thanks are due in large measure to the organizations of hotel keepers formed with this purpose in mind.

In spite of these favorable developments, however, there is still a long way to go before many of the hotels are operating on anything like a satisfactory basis. This is indicated by the financial difficulties of the King Edward in Toronto, the Windsor in Montreal, and others.

Some of the larger hotels are believed to be good prospects for air conditioning equipment. To date they are largely in the prospect class because, although convinced of the utility of the project, earnings have not been on a scale sufficient to justify its adoption. If the current improvement in revenue can be maintained, probably one of the first construction measures taken will be air conditioning installation. Of the newer hotels, some have had the equipment installed, and others have made provision for it.

REDUCE PREFERRED OF NEON WESTERN

Outstanding Stock to be Cut to $100,000 This Year

Shareholders of Neon Products of Western Canada approved proposals to reduce the authorized, issued, and outstanding amounts of $50 par value preference stock at the recent annual meeting in Vancouver. They also approved a common dividend of 25 cents a share paid Aug. 1.

The authorized amount of preferred stock was originally $500,000 and will be reduced 4,000 shares to $300,000. The issued amount of $300,000 is to be reduced to $150,000. At April 30, 1935, the end of the company's fiscal year, stock outstanding amounted to $204,350. This represents a reduction of 1913 shares or $95,650 since 1930.

Reduction of the outstanding amount of preferred shares to $100,000 means that authority has been granted for the redemption and cancellation of $104,350 of this stock.

Reports do not make clear just how this is to be effected although the company had $65,000 in cash with trust companies at April 30. It is anticipated, however, that the outstanding amount of preferred stock will be down to the $100,000 mark by April 30, 1936.

Tea Imports

June imports of tea amounted to 2.6 million pounds, compared with 3.2 million in the previous month and with only 858,000 pounds in June, 1934.

WHO WILL GUIDE IT?

It takes expert handling to pilot an airplane. It takes expert guidance to settle an estate or administer a trust under a will.

Long experience in trust work enables this trust institution to act as your executor and trustee economically and efficiently—for the maximum protection of your family.

Crown Trust Company
EXECUTORS TRUSTEES
FINANCIAL AGENTS
393 ST. JAMES STREET WEST
MONTREAL

"ULTRA MODERN, YES... and a MARVEL of BRUTE POWER"
... says Mr. S. Wilkins of Wilkins Smallware Co., Ltd., Toronto
WILKINS SMALLWARE CO.
WILKINS SMALLWARE
IMPORTERS—DISTRIBUTORS
62634-C

.... and Orders are Turned on the Strength of its Advertising Value ...

YOU CAN certainly bank on this new truck of the Wilkins Smallware Company, Limited, to get attention—and new business! More than that, you can be sure it will stay on the job and out of the repair shop—because underneath that ultra-streamlined body is a sturdy, economical Chevrolet 1½ Ton Ten-Wheel Truck Chassis!

As is pointed out in the accompanying letter, this outstanding product of Chevrolet Truck engineering is designed for one of the toughest hauling assignments anywhere—daily deliveries over some of Ontario's roughest country roads. But then Chevrolet trucks come through best where the going is worst. Satisfied owners throughout Canada are prepared to back up this statement.

If you have a business that's harder than average on trucks, call in at the nearby Chevrolet dealer's and talk over your problem with him. He will list for you the complete line of Chevrolet and Maple Leaf Trucks ... ½ to 2 tons ... General Motors Trailer Equipment ... New Dual-Performance units ... and the full range of modern commercial bodies. He has interesting news for you on prevailing low prices and easy GMAC terms.

GENERAL MOTORS PRODUCTS OF CANADA, LIMITED

As you know, the new Chevrolet 1½-ton Truck purchased from you recently is scheduled for the toughest job in the Wilkins Smallware Company's fleet—that of making 51 weekly tours per year of Ontario's outlying township and country roads.

With its eight rear driving wheels and eight forward gear speeds, we know this truck will deliver our shipments on time. In theory, it certainly should be able to go through mud and snow that would easily stall the usual kind of truck. The double cantilever rear springs will be a big help in preventing the load from tossing even on the extremely rough roads this unit will have to face, winter and summer.

Chevrolet was chosen for this important task because our past experiences with this make convinced us of Chevrolet's all-round dependability and economy. We can only add that while the latest addition to our fleet is ultra-modern in appearance, it is also a marvel of brute strength, designed specifically for an unusually tough hauling job.

(Sgd.) STEPHEN WILKINS
Wilkins Smallware Company, Limited
Toronto

HOCKEY OR ....?

Should General Motors continue the famous HOCKEY BROADCASTS next winter—or would you prefer some other form of radio entertainment? Help us decide by talking it over with your General Motors dealer. Ballots are available at his showrooms—please call in today and record your preference for our guidance.

CHEVROLET & MAPLE LEAF TRUCKS

CT-75A

Bank Chat

Silver Smugglers

EASTERN countries are having silver trouble. In Persia, for example, large-scale smuggling of silver out of the country has resulted in a drastic shortage of small coins. So much so that the government has authorized the issue of copper coins which will have the value of nickel and silver coins. The new coins will be covered by the silver reserves of the Melli Bank. This bank has been granted the power to issue currency, formerly held by the Imperial Bank of Iran, and is growing rapidly in size and importance.

An important bill introduced by the Minister of Finance provides the death penalty for any person convicted of smuggling gold or silver out of the country, as well as confiscation of the metal. Accomplices would be liable to from 3 to 10 years imprisonment. The bill is the most drastic of its type ever to be introduced in the legislature.

* * *

Wheat Price Barter

OVER in China banks have been called upon to perform a novel function. The governments of Shansi and Chekiang provinces recently agreed upon the barter of wool, carpets and other industrial products from Shansi for silk and low-priced daily necessities from Chekiang. Provincial banks will act as the barter agents. Special concessions in freight rates have been asked to facilitate the transactions, and other provinces have been approached with a similar plan. We wonder how the banks will collect commission, possibly in so many carpets per hundred.

* * *

Milk Bottle Money

IN CHINA, it takes 1,000 "cash" to make up a 50 cent dollar; in India the "pie" is nearly 200 to a rupee, worth 40 cents. But down in Missouri they have the latest. Plain, ordinary cardboard bottle caps, treated with paraffin, are being used as money in the collection of sales tax. The new "coins" are of one and five mill denominations. The discs themselves may be of little worth, but they are expected to provide more than $10 millions for relief and pensions.

* * *

Britain Can Manage

THE Midland Bank in its most recent review claims that England enjoys a great advantage in the management of money. It states in part: "Our monetary authorities are favored, perhaps more than in any other country, by an almost entirely passive currency system—a system under which the currency circulation moves mainly in response to demands for trade purposes, without the interjection of sudden, heavy fluctuations arising from quite different causes.

"In such circumstances the authorities can operate upon the volume of bank deposits, in steady pursuance of a well-calculated monetary policy, confident that their plans are not likely to be upset by wild and incalculable currency movements, causing violent and incalculable currency disturbance to reserve ratios and thereby precipitating further unsettlement. For this reason if for no other the conditions in this country are more favorable for consistent monetary management than in America or France, or probably in any other part of the world. It is well to remember this in considering the possibilities of monetary management, on a national or international basis, in the new world upon which we are entering."

* * *

Cleanliness Next Godliness?

A GOOD story of the old days is related in "Caduceus." A most ingratiating, pleasant gentleman called at a certain bank, informed the manager that he was setting up a Turkish Bath business in town, and opened an account. When finally his business was well established, he suggested to the teller that he indulge in a bath. Like all good bank men he hesitated, but readily accepted when told that it would cost him nothing. Subsequently, the entire staff enjoyed the delights of a Turkish bath. One morning upon opening the vault they found the cupboard bare of all but the bulky silver and copper. Their friend of the bath house had taken advantage of their rather necessary use of his lockers to ransack their clothes. It was a simple matter to make duplicates of their keys, and almost as simple to open the vault, which of course, had none of the modern safeguards.

United States Bank Act Receives Final Sanction

Banking Act of 1935 has finally been passed in the United States after six months of controversy. In effect, provisions of the act may be summarized as follows:

1.—Creates, to take office Feb. 1, 1936, a new "Board of Governors of the Federal Reserve System." This board will consist of seven members to be appointed by the President with Senate consent. It will displace the existing Federal Reserve Board of six members and two ex-officio members, the Secretary of the Treasury and the Comptroller of the Currency.

Open Market Committee

2.—Vests control of open market operations—credit control operations—in a committee made up of the seven members of the board of governors and five representatives of reserve banks chosen by sections. This committee will have complete power to order banks to buy and sell government securities in the open market but not directly from the Treasury.

3.—Provides for a permanent federal deposit insurance law covering all deposits up to $5,000. Banks will be assessed 1/12 of 1 per cent of all their deposits.

4.—Permits the board of governors to raise reserve requirements up to double their present rates upon a majority vote.

5.—Requires reserve banks to subject their discount rates to the approval of the board of governors every 14 days.

Real Estate Loans

6.—Permits member banks to make real estate loans up to 60 per cent of the appraised value provided 40 per cent of the loan is amortized in 10 years.

7.—Permits member banks to make loans on "other than eligible" paper at penalty rates ½ per cent higher than prevailing discount rates.

8.—Compels state banks with deposits of $1,000,000 or more to become members of the Reserve System by 1942.

9.—Allows officers and directors of member banks to serve two but no more than two banks.

GERMAN DEBT OFFER EXPIRES AUGUST 31

Old Holders May Receive Former Rate of 6 Per Cent

According to the act regarding the reduction interest payments on German public loans dated Feb. 27, 1935, a reduction in the interest rate from six to 4½ per cent took place beginning April 1, 1935. This was effective on a certain class of "Reichsschuldbuchforderungen" (book claims on federal obligations), insofar as the reduction was not refused by the owner within the time limit prescribed.

Old holders of such book claims will, under certain conditions, be granted the six per cent rate. The time allowed for the declaration of such old holders expires on Aug. 31. Applications should therefore be addressed at once to the German Consulate General, Montreal.

J. C. Nelson Appointed Royal Advertising Head

The Royal Bank has announced the appointment of J. C. Nelson as advertising manager. Mr. Nelson has recently been associated with the Canadian Advertising Agency at Montreal, and was formerly with the Canadian National Railways in London, England. He succeeds C. E. Bourne, who has been appointed registrar of the stock transfer department.

Weekly Bank Clearings

	Aug. 22 1935 $	Change year ago %	Aug. 15 1935 $
Halifax	2,076,557	+11.2	2,052,523
Saint John	1,866,648	+1.4	1,409,138
Moncton	637,813	+5.9	632,374
Sherbrooke	547,519	+1.9	504,504
Quebec	3,544,556	+0.5	3,705,634
Montreal	87,443,019	+13.6	73,415,670
Ottawa	13,892,160	+21.3	14,777,542
Kingston	484,486	+4.3	493,065
Peterborough	540,989	+3.1	577,027
Toronto	91,190,818	—5.3	91,180,757
Hamilton	3,597,727	+14.8	3,314,279
Kitchener	896,802	+6.9	804,203
Brantford	671,541	+5.7	760,600
London	2,595,487	+15.5	2,232,165
Chatham	341,873	+0.4	391,458
Windsor	1,859,530	+8.8	1,902,141
Sarnia	473,663	+1.7	409,244
Sudbury	711,602	+0.5	838,540
Fort William	682,148	—1.2	655,381
Winnipeg	68,411,934	+49.5	43,899,152
Brandon	312,373	+2.0	266,355
Regina	3,064,153	+8.6	2,803,649
Moose Jaw	533,890	+3.4	395,682
Saskatoon	1,361,772	+14.8	1,287,843
Prince Albert	319,742	+2.7	324,829
Edmonton	3,564,755	+1.8	3,331,340
Calgary	5,553,021	+18.1	4,150,570
Medicine Hat	251,769	+1.7	217,908
Lethbridge	414,711	+3.2	407,021
N. W'minster	518,648	+2.7	604,900
Vancouver	14,598,669	+12.8	14,481,726
Victoria	1,461,590	+17.5	1,473,381

Foreign Exchange Markets

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Par $	Aug. 20	Aug. 21	Aug. 22	Aug. 23	Aug. 24	Aug. 26
U. S. dollar, High	.5906	1.00¼	1.00 7/32	1.00 7/32	1.00¼	1.00 7/32	1.00¼
Low	.5906	1.00 3/16	1.00 3/16	1.00 3/16	1.00 7/32	1.00 3/16	1.00 3/16
1934, High	.5906	.97 15/16	.98 1/32	.98 1/16	.98⅛	.98 1/16	.98⅛
Low	.5906	.97⅞	.97⅞	.97 15/16	.97 31/32	.98	.97 31/32
U. K. pound	4.8665	4.99¾	4.99½	4.99¼	4.98¼	4.99	4.99
Argentina	.4246	.2689	.2696	.2696	.2607	.2689	.2693
Australia	4.8665	3 9890	3.9877	3.9827	3.9800	3.9850	3.9835
Austria	.1407	.1910	.1909	.1910	.1908	.1908	.1905
Belgium	.1392	.1696	.1695	.1694	.1692	.1691	.1691
Brazil	.1963	.0541	.0546	.0541	.0542	.0542	.0541
Czechoslovakia	.0296	.0418	.0417½	.0419	.0416	.0417	.0416½
Denmark	.2680	.2231	.2230	.2229	.2226	.2229	.2230
France	.0392	.0665½	.0664¾	.0664½	.0663½	.0664	.0663¾
Germany	.2382	.4051	.4048	.4048	.4039	.4041	.4037½
Greece	.013	.0096	.0096	.0096	.0096	.0096	.0095¾
Holland	.4020	.6800	.6794	.6794	.6790	.6796	.6796¾
Hungary	.1749	.2987	.2986	.2987	.2987	.2986	.2985½
India	.3650	.3806	.3799	.3800	.3791	.3797	.3795
Italy	.0526	.0824	.0823½	.0824	.0821	.0822	.0821½
Japan	.4985	.2977	.2962	2952	.2946	.2950	.2949½
Jugoslavia	.1929	.0231	.0231¾	.0231½	.0231	.0231	.0231
New Zealand	4.8665	4.0291	4.0278	4 9634	4.0200	4.0251	4.0236
Norway	.2680	.2511	.2510	.2509	.2505	.2509	.2507½
Poland	.1122	.1906	.1907	....	....	....	.1906
South Africa	4.8666	4.9712	4.9696	4.9634	4.9600	4.9661	4.9644
Spain	.1929	.1379	.1377	.1377	.1375	.1375	.1376
Sweden	.2680	.2577	.2576	.2576	.2570	.2575	.2573¾
Switzerland	.1930	.3284	.3279	.3279	.2986	.3279	.3277
Hong Kong	.5422	.4927	.4869	.4867	.5001	.5029	.4994¼

Government,
Municipal, Public Utility
and
Industrial Bonds

List of current offerings furnished on request

NESBITT, THOMSON
and Company Limited
355 St. James Street, Montreal
Branches in all Principal Cities of Canada

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Bank of Canada Weekly Statement

Bank of Canada increased its holdings of short-term government securities by $5.5 millions in the week ended Aug. 21. Offsetting this, however, the Government's borrowings from the bank fell sharply. These changes and those for deposits reflect the sale of $20 millions of treasury bills on Aug. 15. Tendency of the bank's policy, however, as indicated by its investments, appears to be to maintain easy credit.

Balance Sheet

Weeks Ending:	Aug. 21 $	Aug. 14 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	78,405,029	77,986,162
Dep.: Dominion	32,877,616	29,845,339
Banks	182,646,390	189,375,313
Other	920,923	46,234
Total deposits	216,444,929	218,266,886
All other liabs.	618,288	944,813
Total liabilities	300,468,247	303,197,861
Assets		
Reserve: Gold	180,159,888	180,103,155
Silver bullion	1,332,439	1,322,970
Res. in sterling	1,729,632	181,694
Res. in U. S.	10,624,379	12,399,807
Res. elsewhere	8,805	5,547
Total reserve	193,855,144	194,013,173
Subsidiary coin	338,068	344,112
Adv. to govt.	1,248,125	9,247,500
Investments:		
Dom. govt. short	21,654,063	16,178,237
Other Dom. govt.	80,663,142	80,620,690
Total invest.	102,317,205	96,798,927
Premises	119,683	119,277
All other assets	2,590,022	2,674,871
Total assets	300,468,247	303,197,861
Reserve ratio	65.75%	65.26%

MUNICIPAL DEFAULT SURVEYED IN QUEBEC

Several Districts Reorganize Finances and Offered Autonomy

Almost 60 defaulting municipal, school and church districts are now under the control of the Quebec Municipal Commission. Several of these, however, according to a survey just released by the Commission, having now reorganized their finances as principal and interest may be met in full at maturity dates they have been offered their autonomy.

The total municipal debt involved amounts to less than $10 million with almost $2 million additional either on school or church account.

The following survey which does not include a few municipalities on Montreal Island which come under the jurisdiction of the Montreal Metropolitan Commission, shows the detail of the various debts, totals, and particulars of the default:

	Municipal $	School or Church or both $
Aylmer	▲*‡517,867	‡53,761
Bagot N.W. twp.	*‡83,000	
Bagotville	*‡611,341	*‡135,443
Begin twp.	*‡18,100	
Bergeronnes twp.	■†	
Black Lake	*‡206,000	*‡92,381
Bourget twp.	*‡24,500	*‡8,500
Cap Chat	*2,639	
Cap Madeleine	*927,200	
Chandler	*‡121,800	
Chicoutimi twp.§	169,100	
Chicoutimi	*‡1,395,567	*335,181
Delisle twp.	*‡108,360	
Escoumains	*‡9,600	*‡12,600
Garnier (cath)		*‡4,764
Grande Baie	*‡54,500	
Greenfield Park§	431,100	
Harvey		*‡10,200
Jonquiere	*‡1,342,110	*‡427,313
Labrecque		■†‡
La Tuque§	896,441	
Laval des Rapides	‡337,851	
Macamic	*‡48,500	
Notre Dame Dore	*‡70,217	
Peribonca		*‡4,694
Quebec West	*‡272,000	*‡38,775
Royal Roussillon		*‡41,200
(Saint):—		
Alexis Grande Baie	*‡188,500	
Ambroise	*13,700	
Augustin	*‡14,500	*‡4,600
Anne de Chic.	*‡105,017	*‡45,900
Benoit Jos. Labre	*78,100	
Camille Lellis	*‡21,897	■†
Coeur de Marie	*‡9,771	*‡252,200
David d'Escourt		*‡58,500
Francois de Pabos	■†‡	
Fulgence Par.	*‡63,000	
Henri de Taillon	*‡78,000	
Honore Parish	*‡142,600	*‡14,100
Jean l'Evangeliste		■†‡
Jos. d'Alma	*‡428,140	*‡101,700
Jos. d'Alma par.	*‡79,354	
Jos. de Riv. Bleue	■†	*‡86.900
Jerome par.	*‡9,500	
Jerome vge	*‡68,395	*‡26,347
Joachim de Tourelle	■†‡	
Lucie de Beauregard	*‡12,000	
Louis de Chambord		*‡113,600
Michel de Mistassimi	*‡16,900	*‡11,600
Remi d'Amherst		■†‡
Simeon	*‡22,200	■†‡
Tache twp.	*‡45,700	■†‡
Tremblay twp.§	144,500	
Val Barrette	■†‡	
Villeroy	*‡2,100	*1,400
Laterriere	*‡17,200	
Riviere de Moulin	*‡44,559	
Farnham W.	*‡28,600	
	9,282,032	1,881,662

*Principal default.
‡Interest default.
†Notes payable default.
§Although officially in default, the Quebec Municipal Commission has offered autonomy. Their finances have been reorganized and they are now in a position to meet both principal and interest payments at maturity dates.
■In default but no debenture debt.
▲Includes a debt of $191,536.48 on account of housing loans.

H. M. Long Ltd. Agency British Steel Exporters

In an effort to secure a greater proportion of Canadian steel business, the British Steel Export Association, the selling agency of Great Britain's heavy steel industry, has appointed H. M. Long, Ltd., Montreal, Canadian representatives. The appointment follows a study of the Canadian market by a British delegation. Special efforts will be made to mold British standards to Canadian requirements.

Protest Enforcement Of Farm Creditors Act

Merchants Claim Preference Given to Secured Creditors

Figures given by the Minister of Finance a short time ago showed that since the Farmers' Creditors Arrangement Act was put into effect, 5,852 settlements had been effected. Of that number 4,602 were the result of compromise and agreement while 1,250 settlements had been the result of decisions of the Board of Review.

These figures were considered by the Minister of Finance as eloquent of the fact that the spirit of the Act was being carried out, the motive for it having been "compromise, conciliation and amicable adjustment."

But among the creditors there are many retail merchants who do not seem to feel quite so happy about the situation. After reviewing scores of letters from retailers giving their experiences with the Farmers' Creditors Arrangement Act it is quite apparent that while many merchants feel this legislation provides very necessary relief for debtors in no position to do otherwise than assign, there is a strong feeling that the Act is being taken advantage of by debtors not in financial difficulty, who wish to whittle down their debts.

There is criticism that the official Receivers are not as impartial as they should be. The suggestion is made that they should be referees and not take sides and act as if they were solicitors for the debtors. It is suggested that they should judge each individual case according to its merits, taking into consideration the efforts the debtor has previously made to meet his obligations. It is pointed out that if the debtor is to have advice, someone other than the official receiver should be appointed by the Government to help him in his case.

Accounts Written Down 50%

A Saskatchewan dealer having two experiences with this Act says retailers' accounts are reduced 50 per cent, but the banks and mortgage companies are not prepared to take a very large cut. It is pointed out that there is nothing in the Act that makes it obligatory upon the farmer to pay the balance of the debts as compromised and that the retailer, while having to take a large cut on his unsecured accounts, still has no assurance that even the balance will be met. Thus the dealer is said to be in exactly the position that he was before, in that there is no immediate cash and he still has to depend on the farmer's honesty for any future payments.

Says one retailer: "We have found that the farmers who have applied for this relief are those who have no intention of paying their obligations, even after the account has been written down."

Worst of the Deal

An Alberta Merchant is of the opinion that the retailer who has supplied the necessaries of life or the goods which the farmer needed to enable him to put in a crop is apparently getting the worst of the deal under these settlements. "The merchant in most cases is an unsecured creditor and is at the mercy of the secured creditor," he states. "And so far we have not seen them exhibit much mercy."

The following case is outlined by a merchant. "This debtor is looked upon as being honest and doing his best to make a go of things but lost his entire crop last year through hail. The unsecured creditors were inclined to be lenient with the debtor, accepting a reduction in the amount of their claims and agreeing to spread payment over a term of years. One of the secured creditors who had a claim of about a thousand dollars for farm implements bought over a period of years, agreed to reduce the interest rate to 6 per cent from date of contract in each case. When it came to the claim of the life insurance company which held the land mortgage at 7 per cent, it would not budge in the slightest degree. So that the case actually resolved itself into an arrangement whereby the other creditors discounted their claims in order that the debtor might be in a position to pay 100 cents on the dollar to the mortgage holder.

"The small town merchant is due to receive a severe jolt under this act just as he has done for some years past in the province of Alberta, under the Debt Adjustment Act. The secured creditor receives the only consideration in spite of the fact that the local merchants have supplied food, clothing and necessary supplies without any security other than the debtor's word that he would pay."

No Security on Compromise Offer

An Ontario dealer who has been involved in eight cases under the act states that nearly all of these men were heavily mortgaged and not able to offer much to the unsecured creditor.

"It has struck us as unfair to general dealers who have carried these men for years and helped them over the hard places to be told now that there is nothing for us," states this dealer. "In all our experience we have not found one man who was able to give any security that the compromise offer would ever be paid. We have been asked to extend the time four, five or six years with no guarantee that it would be met then. We would not mind as much to be paid off at a percentage of the claim as to be put in a position of uncertainty and have no idea when we could depend upon getting a settlement. It may have been framed with the idea of helping the farmer to carry on and remain on his farm but it seems to us that it will dry up his sources of assistance and put him in a position where he will have to put up cash for anything he has to buy."

Finds Trustee Fair

Another Ontario merchant in stating that he has found the trustee in his district very fair in settlements under the act expresses sympathy with the great host of farmers who are in difficulty and states that in a great many of these cases he does not mind scaling down his accounts.

"The only point of objection which we have had was in a case where the bank was being given preference, both as to time of payment and as to the percentage they were to receive," he states. "The trustee advised us that the attitude in Ottawa was that bank claims should receive this consideration. We very strenuously objected inasmuch as the chartered banks have been able to declare dividends regularly and we do not think this is the condition with many merchants. Under the circumstances, any scaling down would not affect the depositors but only the shareholders and possibly the salaries of some of the executives. We did succeed in maintaining that the time of payment should be the same in all cases but were unable to secure a concession in the amount of the claim."

Preventing Misrepresentation

Another Ontario merchant outlines certain cases which were settled under the act in which farmers who in good years have lived in anything but a thrifty manner are now being allowed a reduction of their indebtedness to local retailers and others, thus making up for their early extravagance by taking it out of those who have been thrifty. He outlines a case where the secured creditors were asked to take a reduction as high as 35 per cent, besides throwing off two years' back interest and reducing the interest rate from 6 per cent to 4 per cent. The unsecured creditors were asked to reduce their claims 50 per cent and grant a stay of payments for two years. The total claims of the unsecured creditors amounted to $1,200 and of this amount there were two notes for $900 held by the farmer's own relations. "By the actions of the one relative who attended the meeting," states this retailer, "he made it appear very suspicious as to the reality of his claim which happened to be $700. There is nothing to prevent a farmer from getting a few of his friends to hand in claims, date the notes back for a period of years and make it appear as though he was in very bad circumstances. After the claims have been adjusted by the board, these parties can burn their notes and be nothing out, whereas the parties who have actually made the loans or granted credit are forced to wait for two years to get half of their claim. There is also nothing that I can see to prevent this farmer from taking all he possibly can off the farm, during the next two years and then make an assignment, thereby depriving his creditors of their entire claims."

Involves Definite Loss

A merchant telling of a local settlement under this Act whereby the debtor was given the opportunity of paying his debts over a period of five years, paying 20 per cent each year without interest, and a 25 per cent reduction in the amount of such debts if paid in cash in six months, states that his gross margin on merchandise sold in his store runs from 20 per cent on some lines to 30 per cent maximum. "If I have to take a 25 per cent reduction on debts for such lines it is a serious matter involving a definite loss to me," he states.

"A great howl has been raised because Ontario cancelled certain contracts for power. It is hailed as repudiation. But everyone seems satisfied that many farmers should have their indebtedness cancelled irrespective of what undertakings they have given to pay," says a merchant. "Thousands of dollars have been saved for the farmers is an announcement by the Finance Minister, but he did not say this amount was taken from the pockets of their creditors. Often one who has lived extravagantly benefits at the expense of the thrifty."

SEE MORE CONTROL RUSSIAN LUMBER IN GREAT BRITAIN

British Columbia Interests Expect Stabilization Next Year

From Our Own Correspondent

VANCOUVER.—Soviet Russia will probably return to the category of nations selling to Britain on the basis of supply and demand after this year. This is the opinion of those who have been following the developments in the British lumber market during the last few months.

An end to block sales of lumber by Russia in the British Isles, which is regarded as inevitable following the turmoil over selling this year, will be to the advantage of Canada. Under present conditions, it is claimed, this country is virtually prohibited from competing with Russia in the British market.

Glut Market

It will be remembered that early this year Timber Distributors Ltd., representing about 200 importers and dealers in the United Kingdom, made a deal with Russian mills for 400,000 standards of lumber (a standard equals 2,000 square feet), under the fall clause that permitted of reimbursement of buyers up to 22s. 6d. a standard in the event of competitive Swedish and Finnish or other goods being marketed below the Russian schedule. This was successfully attacked by Canadian interests who foresaw that under such an arrangement it would be impossible to meet the prices quoted by Russia. A new contract was signed at lower prices, without the fall clause.

Some 285,000 of the 400,000 standards are understood to have been sold on a market already overstocked. Timber Distributors soon found themselves unable to maintain their shipping schedules. They claimed that unless there was a further cut in prices, maintenance of firm values would be out of the question. The directors felt that they could not make any reduction in connection with unsold goods, however, without compensating those buyers who had made early purchases. However, shipping companies made some concessions, dependent on the company's ability to sell about 90,000 standards more before September 1.

Claim Forced Selling

Canadian lumbermen maintain that this amounts to forced selling on a market already oversold and that it will certainly have the effect of forcing down all other prices, already so low that mills have made little if any profit. On the other hand some trade authorities in Britain claim that Timber Distributors, having contracted for 400,000 standards, have no alternative other than to reduce the price on the unshipped balance in view of the glutted market, and that the Russians, in compensating buyers of stocks already taken, are merely considering the interests of their customers.

Retailers Co-operate In Farm Credit Dealing

Discussing some of the points raised by retailers in criticism of settlements under the Farmers' Creditors Arrangement Act, M. A. Macpherson, former administrator of the act, stated recently that there is no class of creditor who has more heartily co-operated in carrying out the purpose of the act than have retailers.

"They seem more concerned than any other class of creditor that the farmer's debt be rearranged and readjusted in such a way that his credit will be restored and that he may again be in a position to do business with merchants," said Mr. Macpherson. "I could mention instances, very creditable to merchants, as to the lead taken at creditors' meetings in order to arrive at a settlement which would keep the farmer on the land under circumstances calculated to continue him there as an efficient producer."

Mr. Macpherson pointed out that official receivers under the act are not paid according to the number of cases handled but a lump sum ($150 monthly salary in certain cases), so that there was no inducement for receivers to canvass for applications. This point was raised by some dealers because of the publicity given the fact that receivers would be on the programme of some meetings of the United Farmers of Ontario speaking on the subject "How the farmer can get relief from his debt burden through the Farmers' Creditors Arrangement Act."

Discussing the foregoing, Mr. Macpherson stated "The United Farmers of Ontario have been having a number of meetings throughout the province and have in a number of instances requested that official receivers should attend their meetings and explain the legislation. While the official receivers have not been calling meetings of their own in any way, they are instructed to accept invitations of this kind should they come. I think this is quite proper."

Consideration For Necessities

In answer to some retailers' complaints that their accounts have received scant attention in settlements under the act, Mr. Macpherson stated "The Boards of Review throughout the country, keeping in mind the necessity of classifying debts, have all stressed the idea that special consideration should be given to debts incurred for the necessaries of life. This is of direct interest to the retail merchants and indicates how fairly the boards have sought to deal with them for they will mostly be in the category of those who have sold the necessaries of life to the farmer.

"We have reports of many, many cases that are being settled by the parties concerned without seeking the benefits of this legislation, the urge to settle having come from the very existence of the statute. In short, a psychology for settlement is being established."

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3% Bonds due June 1st, 1955
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MANITOBA POWER COMPANY
LIMITED

Notice of adjourned meeting of holders of First Mortage 5½% Sinking Fund Gold Bonds, Series "A" and Series "B"

NOTICE IS HEREBY GIVEN that the meeting of the holders of the First Mortgage 5½% Sinking Fund Gold Bonds, Series "A" and Series "B", of MANITOBA POWER COMPANY LIMITED held in Toronto, Canada, on August 7th, 1935, has been adjourned to be held in the Alexandra Room, The King Edward Hotel, Toronto, Ontario, Canada, on Thursday, the 10th day of October, 1935, at the hour of 11 o'clock in the forenoon, Eastern Standard Time.

The said meeting was called pursuant to the provisions of the Trust Deeds securing the said bonds and also pursuant to two certain Orders of the Court of King's Bench of the Province of Manitoba, Canada, for the purpose of considering the General Plan of Consolidation and Readjustment of Winnipeg Electric Company, Manitoba Power Company Limited, Northwestern Power Company Limited, The Winnipeg, Selkirk & Lake Winnipeg Railway Company, and The Suburban Rapid Transit Company, and if thought fit to pass an extraordinary resolution or resolutions pursuant to the provisions of the said Trust Deeds and resolutions agreeing to certain schemes of arrangement referred to in the said Orders, all proposed as part of the proceedings for giving effect to the said Plan, all as more particularly set out in the notice calling the said meeting.

DATED this 8th day of August, 1935.

MANITOBA POWER COMPANY LIMITED

NOTE: A quorum under the provisions of the said Trust Deeds was not present on August 7th, 1935. Under the said Trust Deeds in order to pass an extraordinary resolution binding upon all the holders of the said bonds the resolution must be carried by the affirmative votes of the holders of not less than 70% in principal amount of the outstanding bonds given on a poll. Under the Companies Act of the Province of Manitoba and also under the Companies' Creditors Arrangement Act of the Dominion of Canada (being the Acts pursuant to which the said Orders of the Court of King's Bench were made) a resolution binding upon all creditors or class of creditors, as the case may be, agreeing to an arrangement with creditors or any class of creditors, must be passed by a majority in number representing three-quarters in value of the creditors or class of creditors, as the case may be, present and voting either in person or by proxy at the meeting or meetings thereof held for the purpose of considering the arrangement. *In order that the proposed resolutions may be passed at the adjourned meeting to be held on October 10th, 1935, it is most important that every bondholder who has not already done so should execute and file a proxy so that his or her vote may be recorded.* Information and instructions as to execution and filing of proxies are contained in the notice calling the meeting and in the regulations and instructions issued by Manitoba Power Company Limited relating thereto. If you have not received a copy of the Plan and other documents, you are urged to communicate immediately with Manitoba Power Company Limited, Electric Railway Chambers, Winnipeg, Manitoba, Canada, or with any one of the following:—

Montreal Trust Company
61 Yonge Street, Toronto, Canada
6 Lothbury, London E.C.2, England
or any other of its branches

Agency The Royal Bank of Canada
68 William Street, New York City, U.S.A.

Agency Bank of Montreal
64 Wall Street, New York City, U.S.A.

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SLUMP OF BONDS DUE TO ABERHART, ITALY AND HYDRO

Alberta Bonds at Panic Prices Depress Western Issues

Bond prices had a marked relapse in the week ended Aug. 27 under pressure arising from three adverse influences:

Election of the Aberhart Social Credit government in Alberta;

Non-payment by the Ontario Hydro for power from Maclaren-Quebec Power Co.;

International unrest over the Italo-Ethiopian dispute.

Suspension of payment on Alberta government savings certificates following the Social Credit win at the polls caused panic prices for Alberta bonds. Other westerns slumped, too. Even at the shrinking bids, Alberta bonds were not readily saleable. The collapse is shown below:

Bid Prices for Western Bonds

	Aug. 26	Aug. 21	Change
Alberta 6/47	96	103	—7
B. C. 6/47	100	103	—3
Manitoba 6/47	106	110	—4
Saskatch. 6/52	105	107	—2

Corporation Bonds Off

Corporation bonds retreated on a wide front with government issues. Prominent losses were recorded by bonds affected by Hydro's default of payment for increased power due from Maclaren-Quebec Power Co. Largest loss was 8½ points for Calgary Power 5's of 1960. This issue, of course, also comes under the Social Credit influence. Maclaren-Quebec Power 5½'s were off four points at the nominal bid of 65. International Hydro 6's dropped 6½ points following the Maclaren affair and on admission that Gatineau Power's Hydro contract is essential to maintenance of interest on the I.H. 6's.

Western municipal bonds were weak spots along with the provincial issues. Admission of Major Andrew Davison of Calgary that the city faces default unless further bank credit is obtained contributed to the slump.

Soft Gilt-edged

Eastern government and municipal bonds, the gilt-edged Canadian issues, softened under the blows of adversity. While domestic events greased the skids, the slipping of prices in Paris, New York and London on fears of war and international insolvency gave a downward push. The Financial Post's price average went to the low for this year as shown below:

Average Yield and Price for Seven High Grade Canadian Bonds

1935	Yield %	Price $	1934	Yield %	Price $
Aug. 27	3.590	111.95	Aug. 27	3.751	110.97
Aug. 26	3.570	112.14	Aug. 25	3.751	110.97
Aug. 24	3.570	112.14	Aug. 24	3.760	110.93
Aug. 23	3.556	112.31	Aug. 23	3.757	110.96
Aug. 22	3.543	112.44	Aug. 22	3.747	111.05
Aug. 21	3.519	112.69	Aug. 21	3.736	111.10
Aug. 20	3.507	112.79	Aug. 20	3.749	111.03
July 31	3.491	113.06	July 31	3.811	110.39
Year's	3.367	114.97	Year's	3.373	115.00
Range	3.606	111.95	Range	4.517	102.54

United Grain Year to Show Profit Earned

Declaration of a dividend of $1 a share on the common stock of United Grain Growers for the year ended July 31, 1935, is indicative of maintenance of earnings. The dividend is payable Sept. 2 to holders of record July 31.

It is anticipated that the company's annual report will show bond interest covered by a substantial margin and earnings on the common stock greater than the dividend payment.

In 1933-34, bond interest was covered 2.29 times after depreciation. Earnings on the common were the equivalent of $1.71 a share. Dividends of $1 a share on the common have been paid in each of the last three fiscal years.

Sinking fund redemptions are believed to have reduced the amounts of bonds outstanding materially. Last year $3,647,000 was the amount outstanding. This is now believed to be under $3.5 millions.

Chosen Corp. Stock Listed on Montreal Curb

From Our Own Correspondent

MONTREAL. — Stock of Chosen Corp. has been called for trading on the Montreal Curb Market. The listing covers 575,000 fully paid shares of £1 sterling par value with authority to add 150,000 shares on receipt of notice from the company that full payment has been made, and further authority to add 25,000 shares on official notice of issue.

Chosen Corp. is a holding company with head office in London, which through share holdings controls three Japanese companies operating mining concessions in Korea.

Canadienne Nationale Gets Sherbrooke Bonds

From Our Own Correspondent

MONTREAL.—Two blocks of city of Sherbrooke bonds, one of $320,000, repayable $40,000 annually 1938-1945 inclusive and the other $85,000, twenty-year serial, have been awarded to the Banque Canadienne Nationale, at a price of 99.725 for the first block, and 97.27 for the second. Both issues bear a coupon rate of 3½ per cent. The proceeds of these loans will be used for unemployment relief and refunding purposes.

Chomedy Apartments Will Distribute Assets

From Our Own Correspondent

MONTREAL.—Notice is given in the Quebec Official Gazette that the Chomedy Apartments, Ltd., intends to make application for leave to surrender its charter for cancellation. A special by-law has been passed by the company authorizing the proper officers of Chomedy Apartments to proceed with the distribution of all the remaining assets "pro rata" among its shareholders.

Investment Notes

Say Reaction Healthful

AS POINTED out in The Financial Post last week, readers of stock market averages look upon this week's shake-out led by New York's reaction as healthy. Theory of the seers is that a sharp downward movement of share prices should prick the public speculative bubble. Then, they say, the stock market would be better able to undergo an advance in the autumn months.

* * *

Geo. Weston Common

REDUCTION in the price per share of Geo. Weston common stock should tend to create a more active market. Division of the shares into two equal parts means that there are twice as many available for trading at approximately half the former price. One of the difficulties in dealing in Weston shares has been frequent inactivity. Then, erratically, they would have a marked upward or downward movement in volume. The lower price should bring bid and asked prices into closer agreement. This, in turn, gives the tardy investor a better deal when he has made up his mind.

* * *

Low Stock Yields

TIME was not so long ago when an investor purchased common stocks to sweeten the income from his investments. The demand of late for sound common stocks, however, has caused their values to advance to such a point that the return is often less than for a sound bond. Stocks of Montreal Power, Bell Telephone, Shawinigan, National Breweries, Consumers Gas, Steel of Canada, to mention only a few, return a yield of less than five per cent. The high yield is now obtained from preferred stocks, which with their callable feature act as a brake on high values, thus returning the buyer a better income than is often obtained on the junior security.

* * *

Ottawa Power

OTTAWA Power's common stock is now selling around $75 a share—the lowest point in more than a decade. There have been no particular adverse developments and the current dividend of $6, returns a yield of eight per cent. This is out of line with the yield on other utility stocks and has given rise to a certain amount of comment. The $6 dividend has been paid regularly since 1916 and before that it was even higher. In the last three years there has been a small book deficit after paying common dividends, due more to the increase in depreciation reserve than to a falling off in earnings. Between 1928 and 1934 the annual depreciation charge has been increased by 70 per cent, while net earnings in 1934 were nearly 12 per cent greater than in 1928.

* * *

Howard Smith

HOWARD SMITH Paper Mills' volume of business for 1935 is understood to be about the same as in 1934. The value of the company's preferred stock has recorded a substantial improvement in late months, based on the hope that dividends would be resumed. The financial statement for last year showed that net income was sufficient to cover a $7 dividend—the regular rate which was discontinued in 1931—but directors preferred to maintain the company's liquid position. Interests close to the company believe that the preferred stock will be restored to a paying basis, but not until after the turn of the year. Payment may be made by the end of the first quarter in 1936, but an affirmative decision will depend upon the outcome for 1935.

Significant Investors' Index Numbers

1926 = 100

	Iron and steel	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied products	Beverages	Total industrials	Total utilities	Total co's.
No. of Securities	17	6	4	4	10	18	8	67	20	112
1929-34:*										
High	383.8	118.2	267.4	416.8	110.1	193.8	241.9	311.0	163.6	235.4
Low	36.8	1.4	34.9	78.3	24.0	68.5	27.3	44.0	30.8	38.6
Monthly Figures, 1935:										
January	129.4	14.0	71.5	181.5	75.8	134.2	106.8	129.7	50.4	90.5
February	126.4	13.4	67.4	197.7	75.6	131.3	109.1	128.8	49.4	89.6
March	117.0	11.6	56.0	176.0	74.1	126.5	101.6	125.6	45.1	86.1
April	119.4	11.1	56.9	178.6	73.1	125.1	99.6	130.8	43.8	88.5
May	121.9	10.8	59.9	211.7	70.3	127.8	102.4	144.4	44.4	96.8
June	118.6	10.5	58.4	217.9	67.2	127.0	104.7	145.2	45.0	97.1
July	122.2	10.6	57.4	210.6	66.7	128.5	116.7	143.8	44.7	95.5
Weekly Figures, 1935:										
Aug. 1	123.0	10.9	58.3	206.2	67.4	128.6	117.1	143.7	45.3	95.4
Aug. 8	123.0	11.4	58.4	206.3	67.0	129.8	119.4	144.0	45.7	95.9
Aug. 15	124.7	10.5	58.4	208.3	65.9	130.8	125.4	146.3	48.3	98.6
Aug. 22	123.9	12.3	59.8	212.2	66.2	130.6	123.6	147.5	48.2	99.5

*High and low of years from 1929 to 1934 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Aug. 27	108.53	99.11	94.61
Aug. 26	110.92	99.47	95.42
Aug. 24	111.56	98.08	95.28
Aug. 23	112.37	98.65	95.66
Aug. 22	112.12	96.70	96.20
Aug. 21	112.40	99.05	96.83
Month ago ..	109.24	102.78	91.76
Year ago	98.71	129.52	90.50
High, 1935 ...	114.74	123.68	103.99
Low, 1935	97.90	96.70	80.83

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Aug. 27	60.7	58.4	59.2
Aug. 26	61.2	58.6	59.5
Aug. 24	61.1	59.1	59.8
Aug. 23	61.6	58.8	59.8
Aug. 22	61.6	59.7	60.3
Aug. 21	61.7	59.8	60.5
Month ago	59.3	58.5	58.8
Year ago	64.2	55.5	58.4
High, 1935	64.2	63.1	63.0
Low, 1935	56.1	56.0	56.7

MEET NO SNAGS IN PASSING PLAN WINNIPEG ELEC.

But 70 p.c. Approval of Manitoba Power May Take Time

No opposition to the reorganization plans for Winnipeg Electric Company has become apparent at the various meetings of the subsidiary companies to date.

The plan was approved by the security holders of Northwestern Power Co., Ltd., on August 12 in Montreal, and also of the Suburban Rapid Transit Company on August 15 in the same city. Holders of the bonds and debentures of Winnipeg Electric Company approved the plan on August 22 in Toronto, approximately $8.7 millions of the outstanding $13 millions of bonds and debentures being represented at this meeting. On August 27, security holders of Winnipeg, Selkirk and Lake Winnipeg Raailway Co. voted approval unanimously.

Approval of preferred and common shareholders has yet to be obtained.

Man. Power Adjourned

The meeting of the Manitoba Power Company Limited on August 7, in Toronto, was adjourned to October 10. It was found that not a sufficient percentage of the bondholders were present to carry the plan. Under the trust deed of this company, a majority of 70 per cent of the security holders must approve of the change. There were just about $5 millions of the securities represented at the first meeting. About $8 millions would be necessary to give 70 per cent majority.

The same trust deed provides that only 21 days' notice could be given of the first meetings which, it is said, did not permit the canvass being anything like sufficient of the widely scattered security holders. Hence it was decided to hold this meeting first and then adjourn for more time.

Most of the securities are in small amounts of two to five bonds and are scattered all over the continent. While no opposition has developed this wide scattering makes canvassing extremely difficult. Most of the small security holders do not realize that their support will be necessary to carry the plan.

Confident of Approval

Sponsors of the reorganization plan are confident that eventually the 70 per cent approval of the security holders of Manitoba Power will be secured though it may be necessary to adjourn the meeting again on Oct. 10. The securing of proxies is regarded simply as hard work. So far efforts have been concentrated on obtaining approval of the security holders in the other subsidiaries but with these meetings now out of the way, a drive will be made for proxies of Manitoba Power Co. bondholders.

It is understood that the City of Winnipeg contract with the Manitoba Power Co. will be terminated on Aug. 31, 1937, and that notice to this effect has already been received. Although formally expiring Aug. 31, 1939, the contract contained a provision for termination two years earlier. The move has been expected in view of the city's growing development of hydro-electric power on its own account. With the termination of this contract, according to the last annual report of the company, there will be an annual reduction of 10,000 h.p. in the amount of power delivered to the city, commencing Sept. 1, 1935, and ending Oct. 31, 1937.

Dosco Securities Now on Pay Basis

From Our Own Correspondent

MONTREAL. — Arrangements are now being made by Dominion Steel and Coal Corp. to distribute the new securities to the holders of Dosco's first mortgage debenture stock under the terms provided for in the plan recently approved by the security holders. For each $100 of debentures held, the holder will receive a principal amount of 6¼ per cent cumulative participating registered income bonds of Dominion Steel and Coal Corp., equivalent to 64 per cent and a principal amount of 6 per cent cumulative registered sinking fund debentures of Dominion Coal Co., equivalent to 50 per cent of the principal amount of the securities surrendered.

In addition to the securities exchanged, the holders will receive payment of 1¼ per cent interest on the income bonds and 3 per cent interest on the sinking fund debentures.

Bond Sales

Saint John

City and county of Saint John, N.B., has sold $107,300 of 3½ per cent debentures, maturing serially from 1936 to 1955 at 101.17 to W. C. Pitfield & Co. Bids were as follows:

W. C. Pitfield & Co.	101.17
A. E. Ames & Co.; T. M. Bell & Co.	99.64
Wood, Gundy & Co.; Eastern Securities Corp.; Bank of N. S.	99.149
Irving, Brennan & Co.; Johnston and Ward	97.16

Province of Ontario

Province of Ontario has sold $10,000,000 of 2½-year, 2 per cent debentures to Wood, Gundy & Co., at a cost basis of 2.48 per cent. The bonds mature Feb. 15, 1938, and proceeds will be used to fund short term debt maturing this month.

ONLY FRACTION OPPOSES PLAN CANADA BREAD

Capital Reorganization Passes By Overwhelming Majority

Only a protest from E. J. Bennett, speaking for class B shareholders, saved the special meeting of Canada Bread Ltd. to reconsider the reorganization plan, from being a routine affair. The plan was approved by an overwhelming majority of the shares represented at the meeting.

The vote was as follows:

Reorganization Plan

Class	For	Against	Outstanding shares
A pref.	5,699	20	12,500
B pref.	14,217	40	25,000
Common	unanimous		200,000

Little Criticism

Mr. Bennett protested that the plan as presented was not the same as that approved previously. This was countered by C. H. Carlisle, president of the company and chairman of the meeting who answered that any changes made were approved by the committees representing all classes of shareholders.

There was some suggestion that further amendments be made but when Mr. Carlisle explained that this would mean a further adjournment it was decided to go ahead. One shareholder, apparently under the impression that the B shares would be callable at $55 under the new plan, withdrew objections when it was explained that the call price would be $100. Any delay in postponing the reorganization, according to Mr. Carlisle, would cost the company money.

Denies Interest

During the counting of the ballots Mr. Carlisle stated that he had no interest in any of the various classes of shares. He said he resented the implication that he was interested in the common stock and declared emphatically that if he had been a holder of the common he would have been opposed to the plan as it put too many obligations ahead of the junior stock. He said that the company would have to do infinitely better than it had been doing recently before there would be anything for the common stock. Investors in the A and B in his opinion, were not being done out of any money by the reorganization, they had lost most of their money at the time of the original investment.

After the vote was announced Mr. Bennett asked if it was not necessary to have a 75 per cent majority of the outstanding securities but the chairman stated that the company's solicitor had declared that the law covering the case was quite clear and only 75 per cent of the shares represented at the meeting were necessary.

Nominating Directors

Mr. Carlisle suggested that each group of securities should get together previous to the coming annual meeting and nominate the directors to which they were entitled. A shareholder suggested that this move be carried out and that the common stock held by the Maple Leaf Milling Co. should not be used in this case to override the selections made by the two groups of the preferred. Two directors will represent the first preferred, one the B preferred and the balance, four, the common stock.

Better Position

Mr. Carlisle stated that the reorganization would put the company in a stronger position financially. He also stated that there had been distinct improvement recently, with plant extensions at various branches.

The scheme as recently reviewed in The Post calls for a revision of the capital structure of the company. a reduction in par value of B shares outstanding and a lowering of dividend rates on preferred shares.

Traymore Ltd. Closes Toronto Restaurant

Toronto King Street restaurant of Traymore Ltd. has been closed following the expiration of the lease. It is officially reported that this branch has not been profitable for some time.

With the acquiring of the Savarin restaurant of the company by Hunts Ltd. some months ago and the closing of the King St. branch this sees the withdrawal of the company from the Toronto field.

Four branches remain open in Montreal and through the installation of additional soda fountains, it is reported, operations have been expanded in that city.

Ancroft Place Pays Coupon September 1

Funds will be available Sept. 1 for payment of coupon 16, dated Sept. 1, 1934, on the 6½ per cent first mortgage bonds of Ancroft Place Ltd., Toronto. The Sept. 1, 1934, coupon may therefore be presented for payment.

All houses in the Ancroft Place are now occupied, according to Stewart Scully Co. Some leases expire this fall, but in view of somewhat better rental situations no difficulty is anticipated in re-renting. Taxes for 1935 are paid and current accounts are being met when due, it is stated.

National Realty Bonds Cannot Expect Interest

National Realty Co., Toronto is reported to be earning more than operating expenses and making some progress in paying tax arrears. The company which owns the St. James Garage has been in default of interest on its first mortgage bonds for over two years. There is no prospect of an early interest payment of the bonds.

Montreal Trust Co., trustee for the bonds is operating the building as receiver for bondholders. As yet no allowance has been made for legal and receiver's fees.

Bond Redemptions

Bond Issues:	Rate	Year	Date	Price
Belding-Cort. ...	5%	1936	Nov. 1	105
Can. Cons. Felt	‡6%	1940	Oct. 1	105
Mtl. L. H. Ref. B	5%	1970	Sept. 1	105
Dom. Canners..	*6%	1940	Oct. 1	110
Prov. L. H. & P.	•5%	1946	Sept.	105
Amer. Salesbook	6%	1939	Oct. 1	102½
Can. N. Rlys. ...	4½%	1954	Sept. 15	102

For sinking fund: ‡$65,000. *$62,600. •$52,000.

Stock Issues:	Rate	Stock	Date	Price
Inter. Milling ..	7%	Pref.	Oct. 15	*110
Do.	6%	A Pref.	Oct. 15	†107

*Plus accrued dividends of 88 cents per share.

†Plus accrued dividends of 75 cents per share.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
R. C. Episcopal Corp. of Diocese of Valleyfield	Aug.	L. G. Beaubien & Co.	4%	1936-60	$275,000	*100	4%
Preston, Ont.	Aug.	Stewart, Scully Co.	4½%	20-ins.	27,600	103.36	4.12%
City & County of Saint John, N.B.	Aug.	W. C. Pitfield & Co.	3½%	20-yr.	107,100	101.17	.....
Barrie, Ont.	Aug.	Locally	5%	1936-40	17,797.48	100	5%
Barrie, Ont.	Aug.	Locally	5%	1936-50	26,055.03	100	5%
Provincial—							
Ontario	Aug.	Wood, Gundy & Co.	2%	1938	10,000,000	99.75	2.10%

*Offering.

THESE SHARES HAVING BEEN SOLD, THIS ADVERTISEMENT APPEARS AS A MATTER OF RECORD ONLY.

THE STATEMENTS CONTAINED HEREIN ARE BASED UPON INFORMATION WHICH WE BELIEVE TO BE RELIABLE, BUT ARE IN NO EVENT TO BE CONSTRUED AS REPRESENTATIONS BY US.

The shares referred to herein are being offered in Canada, but not in the United States of America. This circular does not offer, and is under no circumstances to be construed as offering, any of this issue for sale in the United States of America or the territories or possessions thereof. These shares are not registered under the United States "Securities Act of 1933."

New Issue

$4,500,000

INTERNATIONAL MILLING COMPANY

(Incorporated under the Laws of the State of Delaware)

5% Cumulative Redeemable Sinking Fund First Preferred Stock

Principal, dividends and premium payable in United States funds.

CAPITALIZATION IN DOLLARS OF THE UNITED STATES OF AMERICA

(Upon completion of the present financing)

	To be Authorised	To be Presently Issued
Cumulative Redeemable Sinking Fund First Preferred Stock, 60,000 shares—$100 par value....	$6,000,000	
of which this issue of 45,000 shares bearing 5% cumulative dividends forms part..........		$4,500,000
	Authorised	Issued
Cumulative Second Preferred Stock, 10,000 Shares—$100 Par Value......................	$1,000,000	Nil
Common Stock, without any nominal or par value....................................	150,000 shs.	100,000 shs.

Under the provisions affecting Capital Stock, printed in the offering circular, mortgages on the assets of International Milling Company and/or one or more of its subsidiaries, not exceeding in the aggregate Two Million Dollars ($2,000,000.00) in principal amount, may be made and may be guaranteed by the Company or any subsidiaries. Lake & Rail Warehouse & Elevator Corporation, Buffalo, N.Y., a subsidiary, proposes to issue One Million Five Hundred Thousand Dollars ($1,500,000.00) par value, 4% bonds, due August 15, 1950, and such issue will be guaranteed as to payment of principal, interest, premium and sinking fund by International Milling Company.

The 5% Cumulative Redeemable Sinking Fund First Preferred Shares of this issue are to be fully paid and non-assessable; preferred as to dividends and assets; carrying fixed cumulative preferential cash dividends when and as declared by the Board of Directors at the rate of 5% per annum payable quarterly (15th January, April, July and October); redeemable as a whole or at the option of the Company in part by lot at $105 and accrued dividends per share on 45 days' prior notice or the Company may purchase shares. Any such shares so purchased may be applied in satisfaction of the Company's subsequent sinking fund obligations (hereinafter referred to) to the amount of the actual cost of such shares, not exceeding $105 and accrued dividends per share plus the expense of purchase other than the purchase price. Provision is made for a semi-annual cumulative sinking fund, commencing April 15, 1936, and on the 15th day of each October and April thereafter so long as any of the series to which this issue belongs shall be outstanding a sum not less than $1.00 on each share of such series then outstanding is to be provided out of such net profits or surplus earnings as are available or other funds made applicable thereto by the Directors after making payments as provided in the sinking fund provisions, printed in the offering circular. Such sinking fund is to be applied as soon as may be to the purchase of shares of such series at a price not to exceed the redemption value thereof, plus the expense of purchase other than the purchase price. To the extent that shares of such series cannot be so purchased at such price, the Company shall not be obliged forthwith to apply the said sinking fund or the unexpended balance thereof to the redemption by call of shares of such series but may carry the same on its books in a special sinking fund reserve account until the aggregate amount so carried in such account from time to time (less any portion thereof which may be expended in the purchase of shares of such series from time to time, or used in the redemption, from time to time, of shares of such series as provided) shall amount at any one time to the amount of the then two preceding years' sinking fund requirements for such series or $50,000, whichever is the greater amount, whereupon the Company shall call for redemption so many shares of such series as can be redeemed at the redemption price by the application of the balance standing to the credit of the said special sinking fund reserve account for such series, and so from time to time so long as any of such series shall remain outstanding. All of the shares of First Preferred Stock, regardless of the series to which they may belong and regardless of the time when they may be authorized and issued shall rank *pari passu* and equally save in respect to any difference in the rate of annual dividend and the amount payable thereon upon the redemption thereof and the amount to be paid thereon on a liquidation, dissolution or winding up of the Company and the sinking fund provisions attached to each particular series.

Transfer Agent: National Trust Company, Limited, Toronto, Canada.

Registrar: Montreal Trust Company, Toronto, Canada.

In the opinion of counsel, this issue of First Preferred Shares is an investment in which The Canadian and British Insurance Companies' Act, 1932 (Dominion) states companies registered under it may invest their funds.

W. L. Harvey, Esq., President of International Milling Company, has informed us as follows:

BUSINESS: International Milling Company was incorporated in March, 1923, in the State of Delaware, for the purpose of acquiring the assets and business of a previous Minnesota corporation with the same name, which had acquired, in 1910, the assets and business of Saskatchewan Flour Mills Company, Limited, of Moose Jaw, Saskatchewan, and New Prague Flouring Mill Company, of New Prague, Minnesota, together with the latter's constituent company, Western Flour Mill Company, of Davenport, Iowa; in 1912, the assets of Calgary Milling Company, Limited, including a mill and terminal elevator at Calgary; and, in 1920, the mills and terminal elevators of Mystic Milling Company, of Sioux City, Iowa. In 1923 International Milling Company acquired a terminal elevator in Minneapolis, Minn., known as the Interior Elevator and in 1926 the Company leased for a period of twenty-six years, from Lake & Rail Warehouse & Elevator Corporation, Buffalo, N.Y., a grain elevator, flour mill and warehouse on the inner harbour of Buffalo, N.Y., and later acquired all of the capital stock of Lake & Rail Warehouse & Elevator Corporation. The Canadian business of International Milling Company is conducted through its Canadian subsidiary, Robin Hood Mills, Limited. In 1925 Robin Hood Mills, Limited, acquired from the Dominion Government leases of water lots at Vancouver, B.C., and erected dockage and warehouse facilities known as the Terminal Dock. In 1927 a new mill, warehouse and grain storage elevator were built in the city of Saskatoon. In 1934 the organization of International Milling Company was broadened to include a modern plant at Greenville, Texas, acquired from the Greenville Mill & Elevator Company.

The business of International Milling Company and its subsidiaries has expanded steadily and its products are thoroughly established and in high repute. The brands of flour and cereals manufactured in the mills of the Company are sold under such well-known trade names as: Robin Hood, Seal of Minnesota, Cinderella and Goldrim. International Milling Company, through its Canadian subsidiary, Robin Hood Mills, Limited, now owns and operates three mills in Canada and, either directly or through subsidiaries, mills at five points in the United States, at the following locations and with the following approximate daily capacities:

	Flour	Cereals	Approximate Total Daily Capacity
IN CANADA			
Mills at Moose Jaw, Sask.; Saskatoon, Sask.; Calgary, Alta..........................	9,000 bbls.	1,200 bbls.	10,200 bbls.
IN UNITED STATES			
Mills at Buffalo, N.Y.; New Prague, Minn.; Davenport, Iowa; Sioux City, Iowa; Greenville, Texas..........................	13,000 bbls.	....	13,000 bbls.

The business is largely domestic to Canada and the United States and is conducted through twenty-seven mill branches and sales offices. There is also an important amount of export business under normal conditions to the United Kingdom, Norway, the Orient, West Indies, Central and South America and Africa.

ASSETS: According to the Consolidated Balance Sheet of International Milling Company and its subsidiary companies, as at May 31, 1935, as reported upon by Messrs. Peat, Marwick, Mitchell & Co., adjusted to give effect to (1) the sale for cash of this issue of $4,500,000.00 par value 5% Cumulative Redeemable Sinking Fund First Preferred Stock and $1,500,000.00 First Mortgage 4% Sinking Fund Bonds of Lake & Rail Warehouse & Elevator Corporation, a subsidiary company, (2) the retirement of $3,313,100.00 par value 7% Sinking Fund Cumulative First Preferred Stock and $855,400.00 par value 6% Sinking Fund Cumulative First Preferred Stock, Series "A", at that time outstanding, (3) the retirement of $1,230,000.00 par value of 6% First Mortgage Sinking Fund Gold Bonds of Lake & Rail Warehouse & Elevator Corporation called for redemption June 1, 1935, the necessary funds for which redemption were on deposit with a Trustee at the date of the Balance Sheet, and (4) the liquidation, in part, of notes payable to banks, the total net assets were as follows:

Fixed Assets: Real Estate, Buildings, Machinery and Equipment at sound value per appraisal by American Appraisal Company at June 15, 1922, plus subsequent additions at cost..................	$11,538,823.64	
Less: Reserves for Maintenance and Depreciation (accumulated since August 31, 1922)..................	3,415,152.12	
		$ 8,123,671.52
Current Assets..................	$13,567,407.10	
Less: Current Liabilities..................	5,080,965.34	
		8,486,441.76
Other Assets including Prepaid Expenses..................		485,457.87
		$17,095,571.15
Less: First Mortgage 4% Sinking Fund Bonds of Lake & Rail Warehouse & Elevator Corporation (Unconditionally guaranteed as to payment of principal, interest, premium and sinking fund by International Milling Company)..................	1,500,000.00	
Other Reserves..................	744,620.85	2,244,620.85
TOTAL NET ASSETS..................		$14,850,950.30

Equal to $330.02 for each 5% Cumulative Redeemable Sinking Fund First Preferred Share of $100 Par Value of this issue.

PROFITS: The Consolidated Net Profits of International Milling Company and its subsidiary companies as reported upon by Messrs. Peat, Marwick, Mitchell & Co., after charging depreciation and making provision at the rates in effect during the respective periods for American and Canadian Income Taxes were as follows:

	Net Profits available for Dividends on Preferred Stock		Net Profits available for Dividends on Preferred Stock
For the Fiscal Year Ended August 31, 1925......	$ 782,065.15	For the Fiscal Year Ended August 31, 1931......	$1,283,869.26
For the Fiscal Year Ended August 31, 1926......	940,531.95	For the Fiscal Year Ended August 31, 1932......	1,095,647.67
For the Fiscal Year Ended August 31, 1927......	1,086,635.24	For the Fiscal Year Ended August 31, 1933......	1,213,999.39
For the Fiscal Year Ended August 31, 1928......	1,590,067.63	For the Fiscal Year Ended August 31, 1934......	1,434,263.70
For the Fiscal Year Ended August 31, 1929......	1,582,116.46	For Nine Months Ended May 31, 1935..........	902,699.75
For the Fiscal Year Ended August 31, 1930......	1,428,117.79		

Yearly average Consolidated Net Profits for period of ten years and nine months...... $1,240,931.53 which is at the rate of 5.51 times the annual dividend requirements on the 5% Cumulative Redeemable Sinking Fund First Preferred Stock to be presently issued.

For the nine months ended May 31, 1935, Consolidated Net Profits on the same basis 902,699.75 which is at the rate of 5.34 times the nine months' dividend requirements on the 5% Cumulative Redeemable Sinking Fund First Preferred Stock to be presently issued.

PURPOSE OF ISSUE: The proceeds of this issue will be used towards reimbursing the Company for expenditure in retiring its presently outstanding First Preferred Stock, now called for redemption.

MANAGEMENT: The same management which has been responsible for the success of the Company continues in active direction of its affairs.

We offer the shares of this issue if, as and when issued by International Milling Company and accepted and subject to the approval of all legal details by Messrs. Blake, Lash, Anglin & Cassels, Toronto, and Messrs. Kingman, Cross, Morley & Cant, Minneapolis.

PRICE: 99 per share, yielding 5.05%.

Dividends on shares of this issue accrue from October 15, 1935.

Certificates are expected to be ready for delivery on or about October 17, 1935.

The right is reserved to reject any or all applications and also in any case to award a smaller amount than is applied for.

It is the intention of the Company to make application at an early date to list these 5% Cumulative Redeemable Sinking Fund First Preferred Shares on The Toronto Stock Exchange.

DESCRIPTIVE OFFERING CIRCULAR WILL BE MAILED UPON REQUEST

A. E. AMES & CO.
LIMITED

Business Established 1889

TORONTO MONTREAL WINNIPEG VANCOUVER VICTORIA NEW YORK LONDON, ENG.

CANADA NORTHERN OPERATIONS EXPAND

Power Output and Customers Record Increase for Past Month

From Our Own Correspondent

MONTREAL.—Further increase in both gross and net earnings of Canada Northern Power, controlled by Power Corp. of Canada, finds reflection in power output and number of customers served.

Power output for July increased approximately 10 per cent, the figures being 48.3 million kw.h., as against 44.3 million kw.h. for the same months a year ago.

Cumulative returns for the first seven months of this year show a power production of 330.1 million kw.h. This is in contrast to 299.1 million kw.h. for the corresponding period of 1934.

During the past month 65 new customers were added to the company's system, bringing the total as at the end of July to 15,018, representing a gain during the past twelve months of 1,165 new customers.

Visitors Enthusiastic

A visiting party of United States agronomists headed by Prof. Ralph Donaldson of the Agricultural College of Amherst, Mass., after inspecting the scientifically developed pastures at the Dominion Experimental Station at Fredericton, said that the work done along this line is the most advanced in North America.

The Financial Post

Member Audit Bureau of Circulations

Editor—Floyd S. Chalmers

Business Manager—D. M. Gowdy

A weekly newspaper, presenting in a popular manner, reliable information respecting investments, business and national affairs in Canada.

The Financial Post Has the Largest Paid Circulation of Any Canadian Financial Paper

The detailed circulation statement we submit is the sworn statement of the Audit Bureau of Circulations, the recognized independent authority. THE FINANCIAL POST is the only Canadian financial paper submitting its circulation to the A.B.C. inspection.

ADVERTISING RATES

Single insertion—$3.64 per inch.
Debenture and Dividend Notices—26c per agate line.
Contract rates upon request.

SUBSCRIPTION PRICE

Canada, United States, Mexico, British Empire, $5 per year, all other countries, $6.

Published by
THE MACLEAN PUBLISHING CO., LIMITED
481 University Ave., Toronto 2.
Chairman of the Board—John Bayne Maclean
President—Horace T. Hunter
Vice-President and General Manager—
H. Victor Tyrrell

MONTREAL, Dominion Square Bldg., Murray R. Chipman, Eastern Manager; John E. Langdon, Eastern Editor.

GREAT BRITAIN, London, The MacLean Co. of Great Britain, Ltd., 2, 3 and 4 Cockspur St., London, S.W.1; E. J. Dodd, Director. Telegraphic Address, Atabek, Lesquare, London.

The Financial Post Business Year Book, Yearly, $2.
The Financial Post Survey of Corporate Securities, Yearly, $2.
The Financial Post Survey of Mines, Yearly, $2.
The Financial Post Record of Prospectuses, Half Yearly, $7 per volume.
The Financial Post Corporation Service, $20 monthly. Special prices for selected part service.
Directory of Canadian Directors and Officials, Yearly, $10.

TORONTO, AUGUST 31, 1935

SHAKING CONFIDENCE IN CANADA

THROUGHOUT the rest of Canada, the opinion is being widely expressed that it is perhaps well to let one of the provinces try Social Credit and to demonstrate that it will not work, or that it will work. And the argument proceeds further to the statement that if any province is to try it Alberta is the one that should because Alberta has a small population; it is virtually bankrupt anyway; and as much outside capital, as could get out of the province, has already flown. Even this ingenious line of reasoning will not, however, meet the facts of the case. Whether Alberta succeeds or fails, the vote out there is bound to have profound consequence for the nation as a whole.

An immediate result will be to stimulate easy money thinking throughout all of Canada. Since the promise of something for nothing brought results in Alberta there will be a great many candidates in the Dominion election who will be disposed to try the same line of argument for themselves.

Vancouver's threat of bond interest repudiation, Ontario's cancellation of power contracts, Alberta's threatened plunge into a monetary void, added to the Dominion government's idling with the budget and the railway problems, provide a poor foundation for investment faith in Canada.

BRITAIN SEES EARLY SOLUTION OF UNEMPLOYMENT

UNEMPLOYMENT statistics seem to suggest that there are two millions permanently unemployed in the United Kingdom. But the Federation of British Industries points out that while at any given time there are approximately two millions in England who have not jobs most of these have some work each year. Not more than 370,000 men at present out of work have been unemployed for as much as 12 months continuously. Unemployment is stretched over about one-half of the insured population.

The F. B. I. is very optimistic about British employment. It considers it quite amazing that Britain has been able to provide in "services" employment for so many of those that have been displaced in "production" by Britain's declining export of industrial products. Moreover, it points to Britain's declining rate of population growth as a factor of importance and sums up the employment outlook by saying that:

> "If the absorption of workers during the next decade continues at anything like the same rate as over the past decade, and if we are justified in assuming that the peak of unemployment has been passed in the principal contracting industries, then the major part of our unemployment problem should solve itself automatically within less than a decade."

Undoubtedly a revival of immigration into the British Dominions, including Canada, would speed up the solution of the British unemployment problem. If the migrants were put on subsistence homesteads and large farms in the Dominions they would not add to unemployment overseas but would rather provide work for factory hands in supplying them with a portion of their needs.

WELL, MR. ABERHART...

AN AMERICAN editor in Canada recently said that Roosevelt's new deal was like a man trying to jump half way across a chasm. It was better either to jump the whole way or not to try to jump at all.

Alberta has apparently attempted to jump the whole way. If Alberta were a self-governing country, its election results of last week could be interpreted only as a popular mandate for a complete transformation of the political and economic system. But Alberta is only a province with limited powers and with almost none of the powers that its new political leader will require to carry out his programme. So instead of a social revolution Alberta faces only chaos.

It may take some little time for the good people of Alberta to discover what they voted for. Mr. Aberhart himself has not yet told them. But one thing the voters did: they handed over authority to a government that will be composed of men who are as inexperienced in administration as they are in public affairs.

Mr. Aberhart has been given a mandate for monetary experimentation. There has never been anything more vague than Mr. Aberhart's Social Credit philosophy and his Just Price theory. In the news columns of this issue an attempt is to be made to reduce the Aberhart plan to something concrete. It is almost an impossible task for it is doubtful if even Mr. Aberhart knows what his plan really amounts to. But he can no longer evade defining it. He is like the man who stood by jeering at another man who was struggling with a Pigs in Clover puzzle. Now the puzzle has been handed to him. Although he has never tried it before, he has a theory as to how it should be done. But even a Pigs in Clover puzzle requires experience and patience to solve it.

A GOVERNMENT SERVICE OF GREAT VALUE

ELECTION after election has been fought, governments have come and gone, and the work of the Air Survey Bureau of the Department of the Interior at Ottawa goes quietly on, placing Canada far ahead of other countries in this important field.

Few Canadians realize that this bureau contains one of the most valuable photographic collections in Canada, consisting of a central library comprising over 750,000 prints, acquired during the 13 years the organization has been engaged in aerial survey. This collection, available to anyone, covers over 500,000 square miles of Canadian territory.

Tangible evidence of the value of this work can be seen in maps prepared by the Topographical Survey of Canada. Before the writer are two maps, one prepared from meagre information obtainable prior to the advent of air photography as applied to mapping; the other a bird's-eye view of the same area as seen from the skies. There is no comparison between the two, in the matter of detail and preciseness. The newer map contains literally hundreds of small lakes, rivers and streams not shown on the older map.

The usefulness of such information, in these days of scientific prospecting, mining, lumbering and forestry is obvious. In engineering, they prove invaluable in the delimitation of potential water reservoirs and power sites, etc.

Perhaps the most remarkable feature of this whole work is the fact that this wealth of information is obtainable by the general public at the same price—per map—as a package of cigarettes.

BUT HOW ABOUT CREDIT?

IF THE people of Alberta, in electing a Social Credit government, have indicated a callous disregard for the credit of their province, it is, of course, the logical thing for them to do. For they have been working up to such a final expression of opinion for years.

A score or more major legislative measures passed in Alberta during the post-war years have already virtually destroyed private contracts and public credit. Those who have loaned money in or to Alberta have done so, not because the provincial laws in the province protected them, but because they have had some faith in the individual borrower, or some faith that, if Alberta defaulted, the Dominion would stand behind the province.

There will be less faith in individual borrowers if the law interferes with their contracts and means of payment. There will be little faith in the province's credit if the new government makes it difficult for the Dominion to stand behind it.

OBSOLESCENCE IN THE PLANT

NOW, before the trade revival really gets under way, is the time for manufacturers to overhaul, remodel and re-layout their shops. Such is the contention of Canadian Machinery and Manufacturing News. In its current issue, this magazine of Canadian industry points out that the manufacturer who waits until things improve to put his plant in shape will find himself handicapped in his production programme.

The articles which The Financial Post has been publishing on the subject of obsolescence show how remarkable has been the advance in technical methods and in production machinery during the depression. There is scarcely a shop or an office that is not already out of date in part at least. Reasonable investments made now in new equipment will pay very large dividends in lower production costs or higher output.

SEX AND POLITICS

IT IS hard to say whether Albertans voted for Social Credit and their $25 dividend each month or whether they voted against the present Government. Was it just in the fall of the dice that the Social Credit party swept the province?

The student of ironic humor has a fertile field for study in an attempt to trace the relationship between sex and politics in the Alberta situation. Undoubtedly major domestic scandals, that were aired in the divorce courts and criminal courts of the province, helped to bring the U. F. A. government tumbling down. It is only part of the grim humor of the situation that Premier Reid, who was the immediate victim, is a man whose private life is a model of domestic felicity.

"P. R." FAILED THIS TIME

ONE wonders, after observing the Alberta results, what has happened to the proportional representation and the single transferable vote as a means of ensuring in a government representation of the parties according to the distribution of the total vote. Alberta has produced just as lopsided a legislature as any of the provinces that depended upon the traditional systems of counting ballot.

There is not even an opportunity for opposition parties to combine to give the province a union government. There was a strong effort to form a union government prior to the election. But the U. F. A., the Liberals and the Conservatives were each too confident of a substantial measure of individual success. Now there are not enough members from all the opposition parties to provide a sizeable measure of opposition to the evangelical monetary reformers.

NOT A SECTIONAL ISSUE BUT A NATIONAL ONE

BOTH the Regina Leader-Post and the Saskatoon Star-Phoenix think that The Financial Post is pessimistic about the prospects for the Hudson Bay Railway. These papers take bitter issue with the suggestion recently made here that the railway ought to be closed down at once as an economy measure. The Saskatoon journal states that "The route is doing steadily increasing business" while the Regina paper hopes that "The next few years may see the Hudson Bay route really coming into its own."

In view of the fact that the actual use that has ever been made of the Hudson Bay route, either for subsidized or unsubsidized traffic, is exceedingly limited and has been made at a higher cost per ton than on any other major transportation route in Canada, one is indeed an optimist who considers either that the Hudson Bay Railway is yet a success or is likely to be one during the next generation.

The Star-Phoenix asks The Financial Post if expenditures on the St. Lawrence route ought to be drastically reduced; if maintenance of the ports at Montreal, Halifax and Saint John should be curtailed; if harbor improvements at these points should cease. It wants us to set forth the return that has been obtained from the money spent on the Welland Canal, together with the maintenance and interest charges on all these undertakings.

These questions have nothing to do with the Hudson Bay Railway. The Post is no more willing to approve pork barrel expenditures in one area of Canada than in another. It does not consider waste and extravagance in one political constituency as justifying waste and extravagance in another. But the real significance of the question is that they reveal the opinion of the Saskatoon paper, and possibly of a large part of western Canada, that the Hudson Bay Railway should not be judged as a business undertaking; that it is a national development to which the West is entitled regardless of the cost or operating results; that the West is entitled to a port. As a matter of fact this is the real argument for the Hudson Bay Railway.

Why does the West want its own port? Obviously it wants it not as a matter of pride or prestige but because of the hope that having its own port would reduce its transportation costs on export of goods. But every ton of traffic that has passed over the Hudson Bay Railway could have been carried freight free at the expense of the taxpayers to any one of Canada's other established ports and the burden on the treasury would not have been as great as the cost of carrying the Hudson Bay enterprise. And if the rate of traffic on the railway does not increase rapidly in the near future, this condition will prevail for many years.

It is not just the taxpayers of eastern Canada who pay to keep this line in operation, it is the taxpayers of western Canada as well. Everyone pays a share of the expense connected with a white elephant, whether those white elephants be the Trent Valley Canal in Ontario, the Hudson Bay Railway in the West or some other failure elsewhere.

EDITORIAL NOTES

Mr. Aberhart is quoted as saying that it will take 18 months to get the Social Credit system working in Alberta. It will take another 18 years to end it. And the real grief for the people of Alberta will not be during the 18 months, but during the whole of the 18 years.

* * *

The Petrolia Advertiser-Topic reports as a news item of great importance that "The Financial Post shows signs of a liberalizing influence." A recent article in this paper will, thinks the Petrolia paper, cause some people to rub their eyes. The only people who rub their eyes are those that are astounded by something they see and those who have been sound asleep. Anyone who is only now discovering that The Financial Post has a liberal viewpoint on world affairs falls into the latter category.

Post-Scripts

ONE of the most complete and concise statements of Canada's current financial and economic position is to be found in the prospectus on the recent $75 million bond issue, prepared by the underwriters in compliance with the requirements of the United States Securities and Exchange Commission. There is a wealth of detail on the Dominion's financial obligations, but probably the most interesting section has to do with the safeguards set up to protect purchasers of the bonds. The manner in which both the principal and interest must be paid is set out in detail, then follows a phrase which reflects the outcome of experience in foreign underwritings during the past few years. It reads as follows: "And will be payable in time of war as in time of peace and whether the holder be a citizen or resident of a friendly or hostile state."

* * *

FINANCIAL jargon has become very complex, and to the outsider largely unintelligible. Newspapers and other media have done a great deal to educate the investing public as to the meaning of various expressions used by the broker and investment dealer. Sometimes, however, they are guilty of a lapse in printing financial material which is incomprehensible except to the initiated. For example: in a list of active bond quotations, published by a Montreal newspaper, Abitibi first mortgage bonds are set out as follows:

	Bid	Asked
Abitibi 5's, 1953	29	31
Abitibi C.O.D.	29	31

Many readers might be puzzled over the second line. While Abitibi's position is by no means satisfactory, the reader might wonder why Abitibi 5's are quoted on a C.O.D. basis. In this case the abbreviation does not stand for "cash on delivery," but for "certificate of deposit."

Sayings of the Week

"Who was it who said: 'One man and God make a majority?' "—*Albert Einstein.*

* * *

"An adventure is only an inconvenience rightly considered."—*G. K. Chesterton.*

* * *

"The censorship of statesmen has never saved nations from radicalism."—*Glenn Frank.*

* * *

"Justice always rests firmly on freedom, and especially on free will."—*G. K. Chesterton.*

* * *

"War may be hell, but its aftermath is one long and glorious Old Boys' Dinner."—*A. A. Milne.*

* * *

"Educate every individual individually, and the mass will take care of itself."—*Henry Ford.*

* * *

"The man who has no secrets from his wife either has no secrets or no wife."—*Gilbert Wells.*

* * *

"Starvation flourishes at the same time, and in the same ratio, as overproduction." — *Havelock Ellis.*

* * *

"Capitalism is a tough old bird that will live a good deal longer than any of us will."—*Amos R. E. Pinchot.*

* * *

"A mile a minute is fast enough for any one on our present highways."—*"Barney" Oldfield, racing driver.*

* * *

"No work has ever been accomplished in conferences; they usually end in mere chatter."—*Andre Maurois.*

* * *

"It would be hard to say whether we have ruled events as much as we have been ruled by them."—*R. G. Tugwell.*

* * *

"Man's natural instinct is never toward what is sound and true; it is toward what is specious and false."—*H. L. Mencken.*

* * *

"We must be on our guard against being communists because we are poor, or conservatives because our ship is in."—*Will Durant.*

* * *

"People only see peace as an attractive state of things actually during a war. When they have peace, they do not value it."—*J. B. Priestley.*

"I want to be thoroughly used up when I die, for the harder I work, the more I live. I rejoice in life for its own sake."—*George Bernard Shaw.*

"I have never met a successful man who isn't wrapped up in his work simply for the sake of the work, simply because he likes it." — *Rudy Vallee.*

* * *

"Recent developments suggest that governmental systems may run in cycles just as do periods of prosperity and depression." — *Jouett Shouse.*

* * *

"To take the profit out of war would be the outstanding accomplishment of social justice since the development of our present industrial system."—*Bernard M. Baruch.*

"We have a government which, despite its antiquity, is splendid for the moment. It does nothing at all. Surely that it is the best thing it could do."—*George Bernard Shaw.*

"Human destiny is a race between ordered thought made effective by education, on the one side, and catastrophe on the other; so far, catastrophe seems to be leading."—*H. G. Wells.*

"The English nation has learned the art of living. The result to many people is that life is becoming longer, and better—the greatest gift that civilization can give."—*Sir Kingsley Wood.*

Business Men and Tariffs In a Nationalistic World

From World Trade, Paris

Some play has been made in certain quarters with the fact that at the same time as business men at the International Chamber of Commerce Congress were advocating the lowering of trade barriers, other business men were protesting vigorously to their own governments against any reduction of tariffs or easing up of import restrictions in respect of their particular industries. Brave words and hard facts! The contrast is obvious but the facile conclusion would be misleading.

Of course protection in all its forms—higher tariffs, quotas, subsidies, import prohibitions—has been asked for in increasing degree ever since the end of the war by different groups of producers. Who else should ask for it? The point is why they get it.

A broad distinction must be made between the measured degree of protection represented by customs tariffs maintained at stable levels over long periods of time, and the welter of anti-import measures adopted since the beginning of the Great Depression. Tariffs of the first kind we have had with us for many years; many of them succeeded in becoming part of the general world commerce structure and to that extent did not seriously interfere with its smooth functioning.

Trade barriers as we see them today, including many of the more recently erected tariffs, are different in kind and different in their effects. They are also different in their causes, being hasty defensive measures against the results of the collapse of the price structure of 1929, and further promoted and made almost inevitable by the uncertainties created by unstable currencies. There is no chance of getting them abolished before international currency stability has been reestablished.

The distinction made above must not be taken as indicating approval of all tariff policies pursued in pre-crisis years—far from it! But it is nevertheless a real distinction. It brings out the fact that the situation referred to above is less paradoxical than appears at first sight and does not represent a radical division between words and deeds. It simply reflects the existence of two separate centres of action; one, a local defensive reaction to the situation as it still is; the other the setting in motion of forces for changing the situation fundamentally by abolishing the abnormal conditions which provoke excessive protectionism.

Age-long experience shows that where man refuses to adapt himself to Nature, Nature eliminates him; but if he adapts himself, it is he who masters Nature. Today the condition to which the nations have to learn to adapt themselves is the increased economic interdependence between the various parts of the world. Progressive industrialization and still more rapid, almost instantaneous communications will increase this interdependence still further. The world depression created a panic. A general "sauve-qui-peut" policy followed. The time has come for a right-about turn in this short-sighted policy. It is in contradiction with the facts of our economic environment.

Of course, it is conceivable that the nations may choose to persist in acting in defiance of what may be termed the law of economic interdependence. In doing so, they cannot change the validity of the law; they can only, as all law-breakers, continue to bring unpleasant consequences upon their heads. More world trade means more and cheaper goods, more employment, greater economic security. It means human progress in the best sense of the word. Less world trade means progressively lower national production, a steady increase in the permanent volume of unemployment, and social consequences which it is easy to foresee and uncomfortable to contemplate.

How the Farmer Views Industrial Codes

Canadian Countryman, Toronto

We are opposed to setting up codes for industrial workers because they are a means of increasing still further the disequilibrium that has existed for the past five years between the price of farm goods and industrial products

Industrial codes are not only a burden on agriculture, but by increasing costs they retard re-employment and thus deprive men of jobs they might otherwise get. They are class legislation of the rankest sort.

Industrial codes have not worked out very well in the United States. Many people in Ontario know this, so when Ontario's industrial codes bill was being drawn up someone conceived the bright idea of giving it another name. The name it was given was The Industrial Standards Act. The purpose of this act is to establish codes for industry where the majority of people engaged in that industry want them. Naturally the tendency is to raise wages and increase prices. Just how these codes work out in actual practice and why they prevent men from getting jobs is shown by a few simple illustrations. Last year a friend of ours wanted to get his house painted, but he felt he could not pay the regular trade-union rate of pay for having the job done. He therefore employed a non-union man who was out of a job and needed the work and got the work done for half what it would have cost him otherwise. Under The Industrial Standards Act this man would have to pay more than twice what he actually did pay to get his house painted. He, like farmers and many other people, has suffered a considerable reduction in income since 1929, and, moreover, like farmers and many other people, he would not come under The Industrial Standards Act, so that under this Act the only thing for him to do would be to leave his house unpainted and deprive one or more men of a job.

The trouble with The Industrial Standards Act and those who sponsored it, is that they completely ignore the farmer and he is the most important consumer of industrial products we have in Canada. Since 1929 the price of farm products according to official government figures, has fallen about 40 per cent, while the rate of wages paid in many of our most important industries has only fallen about 10 per cent. That is one of the reasons we have so much unemployment at the present time. If wages had fallen in conformity with the fall in the price of farm products, the price of things farmers buy would have been reduced a whole lot more than it has, the purchasing power of the farmer's dollar would have been increased, they would buy more, factories would have had to produce more goods and they would have had to employ more men to produce these goods. The Industrial Standards Act does nothing to increase the price of farm products, but it is a material factor in increasing the cost of the goods farmers buy. It, therefore, makes the economic position of the farmer worse than it was before and the sooner it is repealed the better.

As Others See Us

Costly Experiment
Halifax Herald

In the light of the nation's experience with its railway problem, the Toronto Financial Post raises the question as to whether or not the Hudson Bay line should be continued in operation, at least until business conditions improve.

It is pointed out that $226,000 was appropriated to meet last year's operating deficit. There was also an item of $302,000 for additions and betterments at the terminals. That makes $528,000 put into the operation which was not offset by anything like proportionate traffic earnings.

This cost to the country for the past year does not, of course, include interest on the original cost of the road, which is a large item by itself of $2,500,000 annually.

Neither, apparently, is any account taken of depreciation.

We are not among those who decry the Hudson Bay route; but, like so many who live by the sea, we have yet to be convinced of the wisdom of this colossal experiment.

Radio And Politics
Regina Star

There appears to be every probability that radio will take a greater part in the coming election campaign than ever before.

The Financial Post of Toronto, calls attention to one aspect of this innovation that has been for some time in the mind of The Star. It is that much good can come of it as an instrument for the creation of clearer thinking on politics and economics. Until this new method of spreading the views of the leaders or candidates was utilized, the only resort that could be had was to the public meeting.

In the coming campaign, this will, of course, still be utilized. But the public meeting is only an expression of opinion which is the result of mass mentality. In such a gathering the influence of mind on mind is predominant. There is no possibility of individual thinking, of the formation of well-considered judgment.

In the case of radio addresses very different reactions come into play. In the quiet that surrounds the reception of the speech, the listener is able to follow the argument as it runs consecutively from the mouth of the speaker.

An unbiassed man or woman who takes the opportunity of listening to the leaders of all of the parties is able to form a clear judgment as to the soundness of their policies, their practicability and their effect on the public welfare. Never has this been so requisite as it is in the present day when the good of the country depends on the intelligent expression of public opinion.

It is here that the radio may have a great influence on the future good of the country. It may even be a serious factor in cleaning the political life of the country. For politics needs as much in the way of reformation as does economics.

Other People's Views

Selling Fish
Weekly Herald and Newfoundland Trade Review

Newfoundland has been watching the spectacle of French, American, Canadian, Spanish, Portuguese and Italian trawlers fishing on the Newfoundland banks.

But if vessels can come from Hull to the banks empty, and make successful trips, why should it not pay even better if they sailed from Newfoundland and returned from England with goods?

It will be recollected that a fine effort a few years ago on the part of A. E. Hickman to induce trawlers from England to use Newfoundland crews, met with failure because of ill-conceived disaffection among the men signed on from this country. But efforts are worth making again. Certainly, if further attempts to develop the business from this end are not undertaken, Newfoundland will soon have world competition against it in all fish markets.

Stop Me If You've Heard This One

Motorist—"I've had it a whole year, and I haven't paid a cent for repairs or upkeep on my car since I bought it."

Friend—"Yes, so the man at the service station tells me."

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The Week in Business

At The "Big Show"

MANY business men regard the Canadian National Exhibition at Toronto as an indication of fall prospects. If there is any real basis for their belief, and if conditions continue at the "Ex" as they have begun, then we may be justified in looking for a fair measure of good times.

For the first time in years officials have had to refuse applicants in several different classifications because of lack of space. A number of manufacturers, particularly automotive men, who had decided not to exhibit this year experienced a last minute change of heart and have entered displays.

Early returns of business transacted point to the highest total in some time. Reports of concessionnaires being swamped with customers, and of being sold out, consequently having to close up until further supplies were available, sound strange to ears tuned to depression discords. Not since boom days have visitors spent money so freely.

In attendance, too, the fair may indicate a return to better times. So far each day has shown an increase over the corresponding day last year.

* * *

A Nice Little Riddle

THE most important problem in the world"—what is it? A good many business men will be inclined to agree with Col. Leonard P. Ayres that it is the solution of depressions. But just how to go about it has been the puzzle which has stumped our best economic brains. It has been so difficult to know just where to start. Col. Ayres claims that the kernel of the whole matter lies in relationships affecting durable and consumers goods. "The question is," he says, "why the output of consumers goods should hold up and their prices decline in the depression, while in the case of durable goods the prices hold up and the output declines. If anyone could devise a means to make durable goods follow the pattern of consumers goods in volume and prices during depressions, he would have found the solution of the depression problem, and he could tell us how future periods of seriously hard times could be avoided."

* * *

Foundrymen Hopeful

IT IS of interest to note, in view of the above, the optimism evident at the convention of the American Foundrymen's Association, held in Toronto last week. Summer business has held up very well indeed, according to the delegates, and prospects are the brightest they have been for some time. Obsolescence has taken its toll, and as the increasing demand for consumers goods filters through, as it is beginning to do, demand for foundry products will be stimulated. There must be a considerable backlog of dammed up business for the industry, particularly in machinery and equipment; business for automotive and refrigeration plants has been relatively well maintained. A point that is worthy of note is that second-hand equipment will be more difficult to get, as most available stocks of this kind have already been taken up by hard-pressed manufacturers.

* * *

Yes, We Have More Empire Bananas

CANADIANS like bananas. So much so that during the last fiscal year we managed to get rid of 3.2 million stems, which is a lot of bananas no matter which way you look at them. Speaking in round figures this is approximately 384 million bananas. To make it more personal it works out to about 39 apiece. At the same time, our appetite seems to be getting larger, for this total was 25 per cent above the previous year.

And even on the common banana the Empire producer is doing better. For approximately 90 per cent of the yellow-skin fruit imported last year came from Empire countries. Jamaica, alone, sent along 2.5 million stems; a healthy boost of 1.9 million stems over the shipments of a year ago.

Commodity Prices

	Latest week	Previous week	Same week last yr.
Cattle	$7.10	$7.15	$5.70
Hogs	10.65	10.90	9.40
Copper, lb.	.08½	.08	.09
Cotton, lb.	.1085	.1180	.1335
Rubber, lb.	.12	.1188	.1575
Sugar, raw, lb.	.0345	.0318	.0324
Silk, lb.	1.82	1.84	1.17½
Wheat (Man.) bus.	.84¾	.84⅜	.82⅛
Coffee, lb.	.06⅝	.06½	.09¾
Weekly Indices			
N. Y. Annalist	127.2	127.1	118.5
Fishers'	84.6	83.7	77.8
N. Y. Journal of Comm.	79.0	80.2	80.0
Crumps (Brit.)	64.4	64.6	65.4
U. S. Labor	80.1	79.6	75.4
Canada (D.B.S.)	71.6	71.7	73.0

Monthly Indices	Latest month	Prev. month	Same month last year
Canada (D.B.S.)			
Retail (July)	78.8	78.8	78.2
W'sale (July)	71.5	71.5	72.0
U. S. Labor (July)	79.4	79.8	74.8
Gt. Brit. (May)	68.6	66.7	65.4

Note: Indices on all base 1926 = 100. British index is Economist converted to 1927 base.

Base of price quotations is as follows: cattle—steers, good, over 1,050 lb., top price. Toronto: copper—electrolytic, New York: silk—Japanese, 13-15. New York: sugar—96 degrees centrifugal c/f New York: wheat—No. 1 Man. North., Ft. W. Pt. A. basis; hides—heavy native steers; select bacons. Toronto.

ALL FIVE AREAS REPORT HIGHER JULY BUSINESS

Gains Over the Previous Month Substantial Except in Ontario

QUEBEC STILL LEADS

All parts of Canada shared in July business improvement. Returns from all five economic areas indicate greater activity than in the previous month. And apart from Ontario, gains were of substantial proportions.

Sales of life insurance were a constructive factor, with pronounced increases in all five economic regions. Employment was not far behind with only Ontario showing a decline. Other factors in the improvement were heavy wheat receipts at country elevators in the Prairie Provinces, higher electric power production in the Maritimes and in the West, and heavy construction contracts in Quebec, Ontario and the Prairies.

Maritime Provinces

Business activity in the Maritimes recovered further in July following the gains of the two preceding months. The recent advance has offset a great part of the decline in the first part of the year. The index now stands at 107.9, a gain of 2.7 per cent from June; it is nearly 3 per cent under July, 1934, however.

Quebec

Having been unchanged for about four months, an acceleration was shown in the business situation in Quebec during the month, the index on the 1926 base moving up from 118.6 to 120.7, the highest for any area. Indexes of the production of electric power, boots and shoes and newsprint were above the 100 per cent line in July, while imports of raw cotton, showing the volume of operations in the cotton textile industry, were also considerably above the level of the base year.

Ontario

The high point of recovery in Ontario was reached in March last. Recession was shown in the second quarter, and only a minor increase effected in July. The index for the area was 103.0 against 102.7 in June. The index consequently indicates that conditions were slightly better in July than during the average for 1926. In making this comparison no adjustment is made for the normal long-term growth. Significant gains were recorded in the steel and slaughtering and meat packing industries which were up 38 per cent and 11 per cent, respectively.

Prairie Provinces

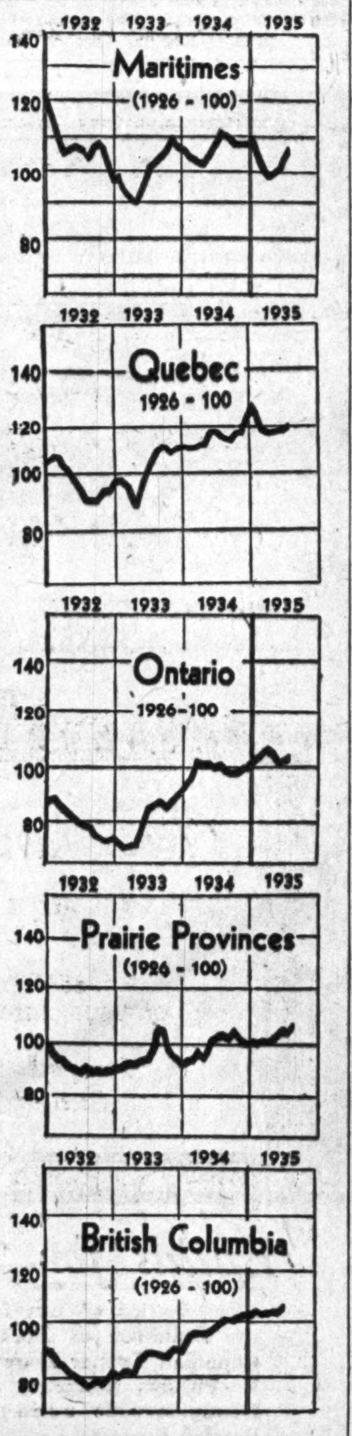
The index for the Prairie Provinces recorded a gain in July reflecting mainly the heavy movement of wheat to country elevators in preparation for the new crop. The index for the area moved up from 104.6 to 108.7, five out of eight factors recording gains over the preceding month. Wheat receipts at 13.3 million bushels were up more than 4 million bushels from June. The price of wheat, however, was slightly lower at 81.3 cents a bushel, as compared with 81.7.

British Columbia

The gain in British Columbia was especially marked, accelerating the gradual advance of the last three years. Seven of the eight available factors moved up in July from the preceding month and some of the increases were pronounced. Building permits were $1 million against $586,000, although contracts were at a lower level. External trade passing through the province was at a considerably higher level, exports being up 12.3 per cent and adjusted imports 32.4 per cent.

		July, 1935	July, 1934	June, 1935	July '35 total as % of July '34
Maritimes:					
Construction contracts	$	1,464,000	1,447,000	3,447,000	+1.2
Building permits	$	124,000	633,000	154,000	—80.4
Life insurance sales	$ 000's	1,989	2,604	1,762	—23.6
Bank debits	$ 000,000's	51.5	53.0	52.6	—2.8
Electric power	kw.h. 000's	56,564	56,226	57,871	+0.6
Employment	1926 = 100	106.7	101.3	106.7	+5.3
Exports	$	4,483,329	4,794,335	4,796,950	—6.5
Imports	$	2,574,927	2,571,165	2,548,959	+0.2
Index		107.9	111.1	105.1	—2.9
Quebec:					
Construction contracts	$	5,123,000	3,086,000	3,935,000	+66.0
Building permits	$	689,000	568,000	1,407,000	+21.3
Life insurance sales	$ 000's	9,738	9,955	9,020	—2.2
Bank debits	$ 000,000's	740	805	806	—8.1
Electric power	kw.h. 000's	977,608	904,257	982,233	+8.1
Employment	1926 = 100	97.2	94.9	94.8	+2.4
Cotton imports	lb.	9,912,771	8,280,941	7,397,290	+19.7
Newsprint production	tons	234,266	208,238	232,020	+12.5
Index		120.7	119.6	118.6	+0.9
Ontario:					
Construction contracts	$	8,819,000	4,904,000	8,137,000	+79.8
Building permits	$	1,610,000	1,461,000	2,339,000	+10.2
Life insurance sales	$ 000's	13,385	14,408	14,559	—7.1
Bank debits	$ 000,000's	1,118	1,121	1,264	—0.3
Electric power	kw.h. 000's	500,236	434,224	530,315	+15.2
Employment	1926 = 100	102.4	106.0	102.7	—3.4
Livestock slaughterings	1926 = 100	130.2	122.4	117.5	+6.4
Steel production	tons	86,101	66,647	73,450	+29.2
Automobile production	No.	13,069	11,114	15,745	+17.6
Index		103.0	100.4	102.7	+2.6
Prairie Provinces:					
Construction contracts	$	2,454,000	1,232,000	1,347,000	+99.2
Building permits	$	338,000	458,000	541,000	—26.2
Life insurance sales	$ 000's	4,454	4,318	4,230	+3.1
Bank debits	$ 000,000's	492	647	451	—24.0
Electric power	kw.h. 000's	102,789	81,788	97,157	+25.7
Employment	1926 = 100	98.7	93.0	96.3	+6.1
Wheat receipts	bush.	13,347,000	10,936,000	9,334,000	+22.0
Wheat prices	$ per bush.	.813	.820	.817	—0.9
Index		108.7	104.6	105.7	+3.9
British Columbia:					
Construction contracts	$	690,000	521,000	1,656,000	+32.4
Building permits	$	1,505,000	138,000	586,000	+990.6
Life insurance sales	$ 000's	2,266	2,353	2,239	—3.7
Bank debits	$ 000,000's	143.7	141.7	136.5	+1.8
Electric power	kw.h. 000's	124,553	118,233	120,469	+5.3
Employment	1926 = 100	106.8	97.6	99.5	+9.4
Imports	$	4,422,587	3,649,752	3,430,139	+21.2
Exports	$	9,325,414	9,962,693	8,923,419	—6.4
Index		107.3	99.7	104.9	+7.6

Five Advances In Five Areas



Ethiopian Crisis May Mean Tomato Market for Canada

If Mussolini finally declares war against the Ethiopians, it will be to the advantage of Canadian canners of tomatoes. Italy has for a long time been the chief supplier of tomatoes on the British market. Spain has also been a factor, but Canadian companies have had great difficulty in breaking in on this business because of the type of tomato we grow and can. The Italian type is known as the plum style. It is a small tomato, fairly firm, which is canned whole and turns out of the container in that way. The Canadian variety is much larger, has a better flavor, but because it is softer in texture, breaks up to a certain extent during the canning process. The Englishman became accustomed to the Italian type and has never really "fallen" for the Canadian.

Italian Prices Up

But since Mussolini has been girding on his war paint to fight the Ethiopians, Italian prices have advanced and exports have been curtailed. This has already thrown considerable business Canadian way. Canadian Canners Ltd. have recently increased their exports to the British market and the Associated Quality Canners Ltd. have sent over their first substantial shipment. These goods are not going to the United Kingdom on a consignment basis, but have been purchased outright because of the more favorable market now that Italian tomatoes have advanced. No doubt Spain will take up some of the slack on the British market because she produces and cans the Italian style, but nevertheless the Italian war clouds may bring sunshine for the Canadian packers. Last year, for the first time, Canadian Canners Ltd. grew a quantity of the Italian plum tomato, having brought the seed over from Italy. These were canned at their St. Catharines, Ontario, plant and are an attractive fancy grade.

Market Strengthened

Already the increased exports of tomatoes across the Atlantic, together with the feeling on the part of canners here that recent government figures showed too great a supply on hand, have firmed the market. Prices for choice grades are easily 10 to 12 cents per doz. higher than a month or six weeks ago. The acreage this year is less than last. The excessive hot spell earlier this month unbroken by rain, has also taken its toll in tomato production. So, all things considered, there is a much improved outlook for the tomato situation over that existing the past couple of years when prices sank to the lowest point in a long time. In view of the fact that Canadian Canners Limited has a substantial carryover from 1934 which is now selling at the better prices, the company will benefit accordingly.

New Industries

Ajax Products Co. has been recently formed in Toronto for carrying out repairs to Ontario Wind Engine pumps and to handle the woodworking section of the business of the Ontario Wind Engine & Pump Co., which went into voluntary liquidation.

Stauffer-Dobbie Ltd., Galt, Ont., has begun the erection of a three-story factory to house a cotton-spinning mill to be ready for operation early in 1936. The number of employees will probably be increased by 100. (Galt Daily Reporter).

Business Indicators

Sugar—Meltings and shipments of raw sugar in the four weeks ended Aug. 10 were practically unchanged from the corresponding period in 1934; the cumulative total from the beginning of the year, however, was about 14 per cent over a year ago. Practically the same may be said of manufactured refined sugar, only the cumulative total in that case shows even greater increase. As at Aug. 10, there were on hand 114 million pounds of raw and 117 million pounds of refined sugar, both figures being approximately eight per cent above last year.

Carloadings—Last week's carloadings at 43,101, were 480 cars under last year's figure. Despite a decrease of 535 cars of grain, western loadings were but 10 cars lower than in 1934, the eastern division accounting for almost all the change. Apart from grain, coal and coke were the chief declines. Substantial gains were recorded by miscellaneous freight, pulp and paper, lumber and livestock.

Automobiles—Automobile output in July totalled 13,069 units, an increase of 17 per cent over the same month last year. Production comprised 9,471 passenger cars and 3,598 trucks.

Newsprint—Of the July newsprint export of $7.4 millions, $5.7 millions went to the United States. Australia, Argentina and the United Kingdom each took an amount valued at between $300,000 and $350,000, the remainder being divided between New Zealand and Japan.

Leading Indicators as Compiled by The Financial Post

▲Denotes new figures this week.

WEEKLY DATA	Latest 1935	Latest 1934	Cumulative Total Jan. 1 to date 1935	Cumulative Total Jan. 1 to date 1934
Transportation—				
Car loadings (Aug. 17)	▲43,101	43,581	1,414,659	1,394,695
C.P.R. gross earn. (Aug. 14)	$ ▲2,388,000	$ 2,331,000	$ 74,722,000	$ 74,908,000
C.N.R. gross earn. (Aug. 21)	$ ▲3,139,888	$ 2,929,899	$ 104,279,323	$ 102,135,588
Business Conditions—				
Weekly index D.B.S. (Aug. 17)	▲103.4	96.4	......	......
MONTHLY DATA	**1935**	**1934**	**1935**	**1934**
Business Conditions—				
Financial Post index (July)	103.4	98.6	......	......
Transportation—				
C.P.R. net earnings (June)	$ 1,403,812	$ 1,755,579	$ 6,062,018	$ 8,054,412
C.N.R. net revenue (June)	$ 494,332	$ 988,293	$ 2,179,065	$ 4,378,541
Iron and Steel (July)—				
Pig iron production (tons)	50,513	36,759	310,290	194,586
Steel ingots and castings prod. (tons)	86,101	66,647	474,264	464,169
Automobiles (Number)—				
Passenger Car:				
Domestic sales* (June)	9,606	8,486	56,733	44,100
Factory output (July)	▲9,471	8,407	99,798	75,491
Trucks and Buses:				
Domestic sales* (June)	2,031	1,639	11,004	6,759
Factory output (June)	3,469	3,095	20,939	14,900
Exports (June)	4,873	5,298	33,578	23,911
Construction—				
Building permits (July)	$ 4,266,224	$ 3,257,470	$ 28,895,295	$ 13,668,847
Contracts awarded (July)	$ 18,549,240	$ 11,190,500	$ 94,143,700	$ 72,107,200
Newsprint (tons)—				
Production (July)	234,266	208,258	1,519,169	1,469,891
Exports (June)	227,215	202,177	1,163,548	1,140,453
Sugar (lb.)—				
Melting & shipments§	▲99,797,793	100,372,675	482,070,793	404,299,272
Manufactured§	89,975,627	83,543,766	384,367,736	316,407,023
Flour (bbls.)—				
Production (June)	991,559	1,127,477	6,134,108	6,600,671
Wheat flour exports (July)	395,232	408,028	2,638,217	2,941,639
Trade (July)—				
Imports	$ 48,414,397	$ 44,144,509	$ 308,786,790	$ 291,534,359
Exports	$ 56,239,187	$ 56,121,112	$ 356,504,336	$ 345,780,174
Wheat exports (bush.) (July)	9,158,035	12,979,231	54,163,556	77,700,575
Employment, D.B.S. Index—				
All industries (July 1)	99.5	101.0	......	......
Manufacturing	96.5	93.8	......	......
Electric Power Output (June)—				
Total monthly (000's omitted)	1,815,912	1,708,632	11,379,753	10,374,384
Aver. daily	60,530,000	56,954,000	......	......
Other Industrial Indices—				
Lumbering:				
Plank & Board exports, mill (July)	101,926	140,000	689,091	767,659
Boot & shoe prod., pr. (June)	1,756,304	1,726,529	10,664,240	9,307,372
Crude petrol., imp. gal., (July)	133,650,600	116,883,335	576,275,333	545,038,318
Cotton imports, lb. (July)	9,912,771	8,280,941	60,964,630	80,905,086
Raw rubber imp., lb. (July)	2,954,800	5,442,703	32,894,567	36,422,867
Coal imports, tons (June)	1,506,196	1,532,375	5,145,986	5,200,922
Finance—				
Bank debits† (June)	$ 2,710,311	$ 2,602,126	$ 15,216,136	$ 15,442,712
Bond sales (July)	$ 62,407,233	$ 68,252,100	$ 343,449,574	$ 258,434,159
Life insurance sales (July)	$ 32,155,000	$ 33,951,000	$ 213,712,000	$ 222,036,000
Automobile Financing—				
Used cars (June)	$ 2,286,465	$ 1,797,387	$ 11,472,586	$ 7,010,972
New cars (June)	$ 2,869,173	$ 2,469,198	$ 14,132,586	$ 9,639,974

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For 4 weeks to July 13.

BISCUIT MEN ARE WORRIED OVER TARIFF

Claim Duty Reduction Cuts Into Western Trade

Canadian biscuit manufacturers continue to be greatly incensed over the recent tariff action at Ottawa favoring the United Kingdom products The ruling of the Tariff Board was that both sweetened and unsweetened biscuits costing more than 20 cents per lb. in the Old Country should come into Canada free of duty against a former tariff of around 20 per cent. This ruling was later approved by the government and is now effective.

Canadian firms state that freight from London to Vancouver via the Panama Canal is much less than it is by rail from Toronto to the Pacific Coast. In addition they charge that the Tariff Board did not take into consideration the disparity between labor prices in the two countries, and which is much in favor of the United Kingdom. Vancouver reports are that already several employees have been laid off in a biscuit plant there because of loss of trade. When the Canadians took the matter up with government officials, the reply was that the entire matter was thoroughly gone into by the Tariff Board, that this Board had made few mistakes in the past and they didn't feel they could do otherwise than accept the ruling.

With an election coming along, the question is lying dormant but there is no doubt it will again be brought before the authorities at Ottawa if and when a new government has been formed.

Higher Butter Output

The production of creamery butter in Canada in July, 1935, amounted to 37,116,468 pounds.

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330 Bay Street
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MONTREAL TRUST COMPANY
61 Yonge St., Toronto
J. F. HOBKIRK, Manager

Aldred Investment Income Up This Year

From Our Own Correspondent

MONTREAL.—Aldred Investment Corp. reported for the first half of 1935 that the company had a net profit of $7,514 after charges and debenture interest, but before allowance for losses on securities sold of $53,996. This compares with a profit of $4,596 for the corresponding period of 1934, when after deducting loss on securities sold there was a net loss of $114,489.

At the end of last June, Aldred Investment balance sheet showed total assets of $9.8 millions, of which securities at cost amounted to $9.6 millions. The market value of these securities was nearly $5.8 millions, while the liquidating value of the debentures as at June 30 last was $931.66 per $1,000 debenture.

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European Plan
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220 Rooms

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Anti-Discrimination Law Bewilders Manufacturers

Uncertainty as to Exact Meaning of New Legislation Leaves Loopholes For Evasion — May Require Test in Court

Manufacturers and especially those in the food field are scratching their heads these days and puzzling their brains over the new anti-discrimination legislation effective September 1, dealing with discounts, rebates and allowances. The Criminal Code has been amended and now:

"Every person engaged in trade or commerce or industry is guilty of an indictable offence and liable to a penalty not exceeding $1,000 or to one month's imprisonment, or if a corporation to a penalty not exceeding $5,000 who—

"Is a party, to, or privy to, or assists in, any transaction of sale which discriminates **to his knowledge** against competitors of the purchaser in that any discount, rebates or allowance are granted to the purchaser over and above any discount, rebates or allowance **available at the time** of such transaction to the aforesaid competitors in respect of a sale of goods of **like** quantity and quality."

Some Caught Unawares

Few will admit it, yet a number of manufacturers are using the new law to adjust their discount and allowance policies on more definite basis. But on the whole, manufacturers are hazy as to what it all means. Some have secured legal opinion and are informed that contracts in force will be permitted to run out before any attempt is made to check up on what is being done. Many were surprised to know that the change took effect so soon and had made no arrangements regardng future policies.

There are those who maintain that the amendment to the Code will not prevent larger firms securing an advantage over smaller ones for the reason that quantity discounts are not taboo. They can have a scale of discounts which will take care of the allowance and rebate problem so that special services performed by the distributor may be paid for.

No one can definitely answer the question as to whether payments for retail display advertising — either windows or interiors—must be paid for on uniform terms. Some windows and display space are better than others but how far may a manufacturers go in buying space on the basis of quality? Who is to determine its value?

Buyers Not Inquisitive

The buyer as well as the seller is involved according to the new measure but it is conceded the latter will have to bear the brunt of any prosecution on the part of the crown. The words to his knowledge" means that the buyer must know there is discrimination and what buyer, it is asked, will pry so deeply into the manufacturer's problems that he will know an offense has been committed?

The manufacturers can still give an avertising allowance as long as it is uniform to all distributors who buy a like quality and quantity; but the words "at the time of such transaction" permits a loophole. Does it mean the same minute, hour or day? What is to prevent the seller changing his price or his rebate plan at any time so that one buyer will have something on the other fellow even if both purchase a like quantity and quality?

Still another point: is a jobber who services no retail buying group going to get the allowance even if he cannot pass it along to an un-organized group of customers?

These and other interpretations and misinterpretations of Bill 73 which amended the Criminal Code at the last session of parliament indicates its puzzling character. It is all so indefinite in the minds of so many manufacturers that most of them hesitate to make any changes in their policies until the act is elucidated—and how can this be accomplished unless we have a test case in the courts?

DOMINION OUTPUT OF CONFECTIONERY GAINS 14 PER CENT

Value of Production in '34 Totalled $40 Millions — 236 Plants

Output of the biscuit, confectionery, cocoa and chocolate industry in 1934 was valued at $40 millions, an increase of 14 per cent as compared with the previous year. The 236 establishments comprising this industry reported a capital investment of $40 millions, they furnished employment to 10,304 persons who were paid $8.8 millions in salaries and wages, and also paid out $18 millions for materials.

Compared with the peak year of 1929, the value of production in 1933 represented a decrease of 56 per cent, employees 24 per cent and salaries and wages 36 per cent. In 1934, however, an improvement took place. The value of production, the number of persons employed and salaries and wages paid were higher than the corresponding figures for the previous year. The value of production was $4.9 millions higher, while the number of employees increased by 413 and the salaries and wages paid by $738,700.

236 Plants

The number of individual plants reporting in 1934 totalled 236, located by provinces as follows: Ontario 94, Quebec 56, British Columbia 35, Manitoba 21, Saskatchewan and Alberta 15, Nova Scotia 8 and New Brunswick 7. The number making biscuits only totalled 23, biscuits and confectionery 12, cocoa and chocolate 4, confectionery, including chewing gum, 197.

	No.	$
Chocolate confectionery		
(a) In bars (lbs.)..	23,679,440	4,406,000
(b) In doz. bars ...	13,405,207	4,927,000
(c) In pkgs. (lbs.)	8,100,533	2,629,000
Sugar confectionery (lbs.)	45,054,000	6,598,000
Biscuits (plain & fancy) tons	33,468	8,644,000
Soda biscuits (tons).	12,845	2,444,000

FOREIGN COUNTRIES REPORT FAVORABLY

General Improvement Found in Most Nations

Summary of the week's foreign business news according to Commerce Reports, Washington, is as follows:

Spain—Retail business is holding up well for summer months. Industrial production is generally higher although the heavy industries and cotton textiles lag. Crop conditions are favorable, with harvesting in progress. Refunding of the six per cent treasury bonds, of which about 305 million gold pesetas are outstanding, at a four per cent rate, has been authorized.

Hungary—Satisfactory crop prospects, improved foreign trade, restrictions on Hungarian tourist expenditures abroad, and a stronger stock market have contributed to an improvement in general conditions.

Austria—Industrial activity is being maintained. Wholesale prices rose to a new peak in June. The adverse trade balance was reduced in the first half of this year, although there was little change in total volume.

Lithuania—Commodity prices receded still further in the second quarter of this year. General conditions are none too bright, although a more favorable trade balance has been attained.

Sweden — Business improvement continued in the second quarter. Industries producing for the domestic market, particularly construction, were quite active. Unemployment has dropped until at the end of June less than one per cent of the population was reported out of work.

Ethiopia—The most difficult business situation in many years was experienced in the first half of this year. Apart from political developments, conditions are due in large measure to weak demand for and low prices of the leading exports.

Japan—General sentiment is somewhat improved, largely because of better trade. Preliminary trade figures for July indicate an increase of eight per cent over the previous month and 15 per cent over July, 1934.

Hawaiian Islands—Improving conditions are reflected by an increase of almost four per cent in bank deposits between Jan. 1 and June 30. Pineapple canneries are working on full-time schedule.

Railway Savings by Co-ordination Small

From Our Own Correspondent

MONTREAL. — Co-ordination activities between the Canadian National Railways and the Canadian Pacific Railway to reduce competition and to effect economies continue at a very slow pace. About a year ago it was estimated that economies effected up to that time had meant a total saving to both roads of $1,250,000 yearly. Since then that figure has been increased by between 10 and 25 per cent, which is, of course, regarded as in no sense an implementation of the recommendations of the Duff Commission.

Railwaymen regard the Duff plan of competitive competition as definitely a failure. Despite the efforts that have been made to introduce economies through co-ordination and abandonment, the savings effected continue to bear but small relation to size of the financial problem.

NEWSPRINT SALES HOLDS TO 1934 LEVEL

Returns for July Indicate Minor Decline in Export Shipments

From Our Own Correspondent

MONTREAL. — Newsprint shipments from Canadian mills in July had a higher value than in the corresponding month of last year, but lower than in the previous month of this year, according to a report of the Dominion Bureau of Statistics. The value of shipments last month was nearly $7.5 millions, which compares with $7.2 millions in July, 1934, and with $7.7 millions in June, 1935.

For the first four months of the Dominion's fiscal year, ended with July, the value of Canada's exports of newsprint was $28.7 millions. This is in contrast to $27 millions in the corresponding period of 1934.

U. S. Is Best Market

The United States continues to form the principal market for Canadian newsprint, exports of that country in July having a value of $5.7 millions.

The returns show that exports of wood pulp and screenings—mostly to the United States—had a value of $2.1 millions in July, or slightly lower than in July, 1934. Exports of pulpwood from Canada, almost entirely to the United States, had a value of $948,255 last month as against $1.2 millions in July, 1934.

Montreal Harbor Lets More Contracts for Work

From Our Own Correspondent

MONTREAL.—Commissioners of the Montreal Harbor have awarded additional contracts involving an outlay of nearly $1 million. They are in addition to the contracts totalling $587,000 let earlier in the month.

Of the contracts let this week one was awarded to E. G. M. Cape and Co., for reconstruction work on sections 45, 46 and 47, known as the Sutherland Pier, at a price of $710,900, while the other went to the Atlas Construction Co. for the reconstruction of the Laurier Pier at a price of $288,439. A third contract, for the reconstruction of the upper part of the Windmill Point, is pending, and is understood will go to the Dufresne Construction Co.

B. C. NOT RUSHING ALASKA HIGHWAY AT PRESENT TIME

To Concentrate on Connecting Southern Links to Lure Tourists

From Our Own Correspondent

VANCOUVER.—If speeches in Congress were the only source of information it might be taken for granted that the Alaska Highway through British Columbia would soon become a reality. Congressmen who have stated that no further obstacles remain in the path of this project are, however, excessively optimistic.

While it may cost only about $2 million to complete the link through United States territory, a much larger sum will be needed for the road through British Columbia and the Yukon. Moreover the British Columbia government has no intention of spending anything on such a project, primarily because it has no funds available.

The government, too, has decided not to make any land grants to American interests that might be interested in financing construction of a highway through B. C.

Peace River Agitation

Politicians are making the most of the clamor from Peace River for a highway outlet to British Columbia. Settlers in the Peace River block are advocating secession from this province if the road is not provided. About 270 miles remain to be built, west of Finlay Forks, and the cost is estimated at $2 million.

However, it is becoming more and more recognized that British Columbia's best policy is to concentrate on the main highways already built. They will be kept in such condition that tourists will be encouraged rather than discouraged. The latter has been the case during the last few years.

Lacked Policy

Road appropriations in the past have been made with little or no consideration of a definite, constructive policy leading to the ultimate creation of a first class tourist highway as well as a valuable artery between the larger centres of mainland population. The result of this lack of policy has been that travel from B. C. has been actually greater than the travel to B. C.

New Books

THE NEW DEAL AND FOREIGN TRADE. By Alonzo E. Taylor. Published by the MacMillan Co., New York. Price $3.00.

One of the gravest criticisms that has been made of the Roosevelt administration is that it has no foreign trade policy. When Roosevelt came to office there was great hope that a more liberal policy in international trading would be adopted, but it soon became apparent that the internally planned economics of the New Deal called for a continuation of Republican protectionist policies. Those who looked for leadership in tariff reduction by the United States were disappointed and among those who were disappointed were many of Mr. Roosevelt's own associates.

In this volume the Director of the Food Research Institute, of California, discusses the policy of Secretary of Agriculture, Henry A. Wallace and makes it the basis of a discussion of what should be the foreign trade policy of the United States. It may be questioned if Mr. Wallace in this matter speaks for the Administration, but Dr. Taylor assumes that he does.

The Wallace policy, in short, provides for a major shift from an active or favorable balance of trade to a passive balance of trade. It provides for the planned middle course. The United States would reduce its tariff just sufficiently to increase imports by approximately half a billion dollars. This would entail a planned contraction of acreage of harvested crops of approximately 25,000,000 acres of land. Dr. Taylor believes that the plan lacks the objectives of both nationalism and internationalism while retaining the difficulties of both. He feels that Mr. Wallace is too ambitious, setting out to socialize simultaneously the United States and the world in the field of agriculture.

Dr. Taylor rejects the plan as any solution for either the problems of American agriculture or of American foreign trade.

Many of the American world trade and agricultural problems are similar to those in Canada and this volume will be read with interest by Canadian tariff debaters on both sides of the fence.

GERMANY'S FOREIGN INDEBTEDNESS. By C. R. S. Harris. Published by the Oxford University Press, Toronto, at $1.50.

Germany owes a great deal of money. Most private and public debts were wiped out by the collapse of the mark inflation. But inflation also wiped out the country's working capital and made it necessary for Germany to borrow heavily abroad. Those who invested in Germany have been receiving no return on their money. The German Government has been most persistent in spreading propaganda designed to put both reparations and other foreign indebtedness in the same class as unjust and unpayable. Mr. Harris, who made this study with the assistance of the Royal Institute of International Affairs, feels that the will to pay has been absent on the part of Germany although he accepts as axiomatic Dr. Schache's assertion that Germany must be given a favorable balance of trade to permit her to pay anything on account of her foreign indebtedness.

This is a timely study even if it presents facts that can stir no optimism among investors in German securities.

R. H. Stanton Appointed Auditor Quebec Province

Roger H. Stanton, C.A., has been appointed one of the auditors for the Province of Quebec. A graduate of McGill, Mr. Stanton was for some years a member of the firm of Gardner H. Murray & Co., and has had connections with the Bank of Montreal and the Provincial Bank.

Ending U. S. Prohibition Profited Distillers Here

Exports of Distilled Liquors from Canada More Than Doubled in 1934 — Output Lower But Sales Increase

Dominion Bureau of Statistics places exports of Canadian distilled liquors in 1934 at $19.9 millions, a gain of 10.3 millions as compared with 1933. On December 5, 1933, prohibition as a federal policy was officially abandoned in the United States and therefore this gain must be regarded as mainly due to that change.

Making Less, Selling More

In 1934 in Canada actual production of whiskies fell off but actual sales went up. The total cost of materials used in 1933 amounted to $3.7 millions and in 1934 to $3.2 millions.

The effect of the United States ending prohibition at the end of 1933 is seen in the inventory position of Canadian companies. At the end of 1933 the materials on hand for stocks in process, fuel and miscellaneous supplies amounted to $17.5 millions and at the end of 1934 to $12 million. Apparently considerable sales of materials were also made to the United States. On the other hand, the inventory value of finished products on hand at the end of 1933 was $14.2 millions and at the end of 1934, $16.3 millions. Total capital dropped during the period about $5.3 millions, probably representing supplies sent across the line. The net result is that Canadian companies sold $10 millions more and yet inventories of finished products are larger.

The Ontario branch of the industry was the one which shows the largest drop in materials on hand. This would probably be the case with Walkers which would be extending the materials on hand at its Peoria plant at the same time it transferred supplies across the border both in bottles and in bulk.

Hits Miquelon Hard Blow

Export of whisky to all points in 1933 was $9 millions and in 1934, $19.8 millions. In 1933, $3.2 millions went to the United States and $4.5 millions to St. Pierre and Miquelon. In 1934, $19.5 millions went to the United States and only $797 to St. Pierre and Miquelon. The latter French islands have no reason to bless the wet era in the United States.

Seventeen establishments engaged in producing distilled liquor in 1934 had a capital investment of $48 millions, a payroll of 1,643 persons who received $1.8 millions in salaries and wages and a net value of production in 1934 of $12.2 millions. Back in 1929 there were twenty establishments in this industry. The 1934 total includes seventeen bottling establishments which were previously excluded. Nine of these 17 were in Ontario and eight in Quebec and British Columbia.

Large Companies Dominate

Of the total capital investment of $48 millions, three companies had a combined capital investment of $28.1 millions or over 58 per cent of the total in the industry and an average investment per establishment of $9.4 millions. In value of production five establishments had a combined output of $9.3 millions or 75 per cent of the total for the industry. This is an average output per establishment of $1.9 millions. Five establishments had a combined payroll of 1,289 persons or over 78 per cent of the total. Only four of the companies reporting had a capital investment exceeding $5 millions and there were eight of them whose capital investment was under $1 million.

Whiskies and other potable spirits produced in 1934 and put in bond for maturing totalled 2.9 million proof gallons with an inventory value of $1.1 millions. Whiskies and other potable spirits bottled or shipped in bulk totalled 3.4 million proof gallons valued at $12.5 millions.

Other important products were: denatured alcohol, 2.3 million proof gallons valued at $915,731 and non-potable alcohol, 1.5 million proof gallons valued at $625,965.

Imports of distilled liquors in 1934 totalled 748,847 proof gallons valued at $13.8 millions, an increase of 71,980 proof gallons over 1933.

Bloor-St. George Realty to Pay Coupon on Sept. 15

Funds will be available Sept. 15 to pay coupon 6 dated Feb. 15, 1934, on the seven per cent first mortgage bonds of Bloor-St. George Realty Ltd. Coupons dated Feb. 15, 1934, may, therefore, be presented for payment on Sept. 15.

Of the 300 rooms in the Bloor-St. George Building, there were 11 vacant at July 31, according to a letter to bondholders from Stewart Scully Co. Some increases in rents have been made already, it is stated. A general rental advance for certain sized apartments will be effected in the fall renting season. Taxes for 1935 have been paid and all operating accounts are being met when due, the letter states.

New Geo. Weston Stock Ready on August 28

New share certificates for common stock of Geo. Weston Ltd. will be ready for delivery on August 28. Trading in the new shares, started on that date.

Penmans

Manufacturers of High-Grade
KNITTED UNDERWEAR
HOSIERY
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Mills at: Paris, Brantford, London, Waterford, Ontario; Coaticook and St. Hyacinthe, Quebec.
PENMANS LIMITED
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Owning and operating mills at
Beaupré, Que. Sault Ste. Marie, Ont.
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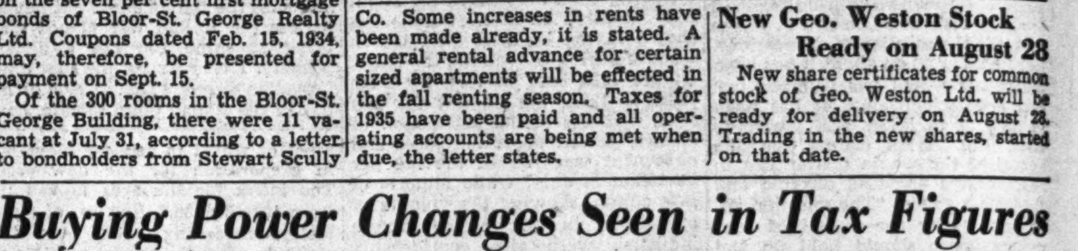
Pine Falls, Man. Fort William, Ont.
Daily Capacity 2,200 Tons Newsprint
Groundwood Pulp News Sulphite Pulp
High Grade Bleached Sulphite Pulp

Buying Power Changes Seen in Tax Figures



Personal and corporation earnings in 1934 are indicated by the above chart showing changes in income tax receipts at Ottawa in the first three months of the fiscal year. In this period between 70 and 80 per cent of all income tax moneys are received.

The chart shows the 19 districts into which Canada is divided for income tax purposes and shows the percentage change in tax receipts for each area this year as compared with the same period a year ago. Only three areas—Regina, Quebec and Yukon—show lower receipts than a year ago.

Many changes are seen in ranking of various districts, with Toronto nosing out Montreal for first place, for the first time.

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BONDED ROOFS
A Surety Bond definitely guarantees trouble-free and expense-free service over a period of 10, 15 or 20 years, according to the specification selected. Only authorized Roofers are permitted to apply Murray-Made Bonded Roofs, the entire construction being under the direct supervision of Murray engineers.

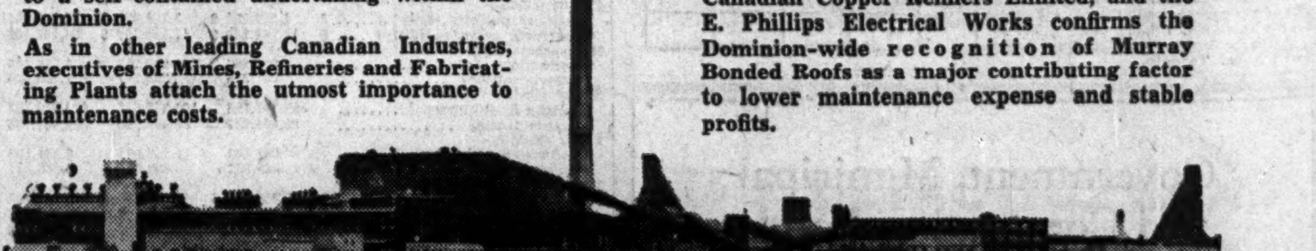
(Top)
Canadian Copper Refiners, Limited, Montreal East, P.Q., Eastern Steel Products Limited, Roofers, Montreal.
(Center)
E. Phillips Electrical Works, Limited, Brockville, Ontario. Geo. W. Reed & Company Limited, Roofers, Montreal.
(Bottom)
Noranda Mines Limited Rouyn, P.Q. Eastern Steel Products, Limited, Roofers, Montreal.

Canada's Copper Industry Builds for Permanence

From ore to finished product, Canadian enterprise has developed the Copper Industry to a self-contained undertaking within the Dominion.

As in other leading Canadian Industries, executives of Mines, Refineries and Fabricating Plants attach the utmost importance to maintenance costs.

The selection of Murray Built-up Roofs for the Buildings of Noranda Mines Limited, Canadian Copper Refiners Limited, and the E. Phillips Electrical Works confirms the Dominion-wide recognition of Murray Bonded Roofs as a major contributing factor to lower maintenance expense and stable profits.



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THE FINANCIAL POST
SECOND SECTION
Vol. XXIX Member of Audit Bureau of Circulations PUBLICATION OFFICE: TORONTO, AUGUST 31, 1935 10c a Copy; $5.00 a Year No. 35

Ethiopia: Why It Challenges World Security

Mussolini's Land Lust is an Age-old Story but It Takes New and Terrific Shapes in the Present Complexities of European and World Politics—What Does It All Mean?

By KENNETH R. WILSON

ACCOMPANIED by the lurid glare of newspaper headlines, Italy is "marching as to war" against a last remnant of native Africa.

An old story, perhaps, but this time one with terrific world-wide implications. Implications affecting at once the two great powers, Great Britain and France; that touch closely Germany, Austria and the whole European hell-pot; that may incite the allegiance and fortunes of three hundred million natives of the "dark" continent; that may upset the whole post-war apple cart of "pacific internationalism," and turn back the hands of the clock of progress to the rampant imperialism of the last century.

Little wonder the name "Ethiopia" is on every lip.

* * *

Political Anomaly

FOUR hundred years ago the civilized nations of the world first penetrated the "dark" continent. Their penetration continued apace until by the turn of the present century almost every important nation in Europe had carved for herself a sector. Today 97 per cent of Africa's eleven million square miles bears allegiance to a foreign flag.

The glaring exception to this—historians call it a political anomaly—is Abyssinia or the Ethiopian Empire. Converted to Christianity in 330 A.D. this proud highland state withstood successive waves of Islam invasion for almost 1,200 years—the last and most dangerous onslaught (in 1541) having been averted only at the eleventh hour by the unexpected arrival of some Portuguese.

That simply landed them "out of the frying pan into the fire," for at once the Abyssinians made (and took to heart) the painful discovery that the desire to take possession of their domain, and destroy their independence, was as strong among their European fellow Christians as it was among their Asiatic and African neighbors of the rival faith. One hundred years later they expelled the Portuguese empire-builders and Catholic missionaries by force, reasserting their isolation, this time until 1868 when a British military expedition made forcible entry to stamp out acts of oppression against Her Majesty's representatives.

* * *

Italy to the Fore

FROM then on it looked as if Abyssinia's days of independence were numbered. Historian Toynbee puts it this way: "In the partition of Africa, this share of the feast was left to Italy—a latecomer with a good appetite." Thus in 1889 the Abyssinian government was induced to sign a treaty recognizing an Italian protectorate—a plan actually confirmed by treaty with Great Britain, two years later.

Unfortunately for Italy the achievement was short-lived. One historian has described Italy as "over-eager for dominion in these parts." At one stage she is reputed to have been caught open-handed by the Abyssinian King in proffering a treaty which contained grave discrepancies in the Italian and Amharic texts—the one making Rome the sole medium of Abyssinia's future contacts with the powers, the other leaving this optional. Added to this, the "enterprise of western traders and the rivalries of western governments" kept Abyssinia assured of an adequate supply of firearms which the natives soon learned to use with amazing facility.

One thing led to another, and on March 1, 1896, the Abyssinians administered a crushing defeat on the Italians at Adowa, at that time the capital of Abyssinia. "No rout so complete, no such humiliation of a white power had been known in modern times," it is written.

* * *

Forty Years Later

THAT was forty years ago. And in those forty years Abyssinia has trod alone in Africa the pathway of independence; has become increasingly coveted by world powers in general and Italy in particular. Today, under the leadership of a very progressive ruler—an ex-journalist who loves aeroplanes, radio, press interviews, schools and hospitals—the country commands world-wide attention because, avowedly, Italy is moving at last to "avenge the Italian massacre at Adowa" and to advance the task "of colonizing and civilizing Ethiopia"—a task which according to Mussolini will provide work for the Italian people for the next 50 years at least.

* * *

The New Internationalism

ASSUMING then that Mussolini is not bluffing and that Ethiopia (as an independent state) is doomed, what of it?

Has not the drama been enacted scores of times in world history—even in the history of the past fifty years?

True, but this is 1935—which may or may not make a difference.

Two generations ago, when Africa was being actively "partitioned," world opinion was much less organized than now. Black peoples were isolated from one another; had not participated in a European war, did not read newspapers, had not discovered a racial consciousness or been party to peace covenants at Geneva. As one commentator puts it: "Seizing territory was a much less disturbing game."

Those were the days of very active Imperialism. Today the world is groping toward an era of pacific internationalism. Accordingly the thing which Italy plans (whether it embraces war or open-handed concessions) seems a more terrible thing than if it had been done fifty or sixty years ago; means probably the crack-up of post-war international ethics; a new set of broken promises, and a possible clash of arms if the principles the League stands for are to be upheld.

And just here it may be worth mentioning the larger fear, namely that if the promises of the League of Nations to Ethiopia (made incidentally in 1923—eighteen years ago, when she joined the League) are thrown on the scrap heap, a long term result of very great significance may easily be a rising tide of racial bitterness and strife on the part of black peoples, whose implications are better left unwritten. As F. T. Birchall stated recently in the New York Times:

> "Ethiopia is next door to weaponless in the present emergency. But there is a powerful influence working for her in the thought of the world peril that might develop for white civilization should she be left alone and unaided to face modern warfare in her helpless state."

* * *

Scraps of Paper

EQUALLY important are the "old" implications of Italy's plan of colonial conquest—the national intrigues and jealousies—the deep-seated economic considerations.

To follow this black thread that binds Britain, France, Italy and perhaps even Japan, Germany, Austria and the whole of Europe together, it is necessary to turn quickly back through the pages of history.

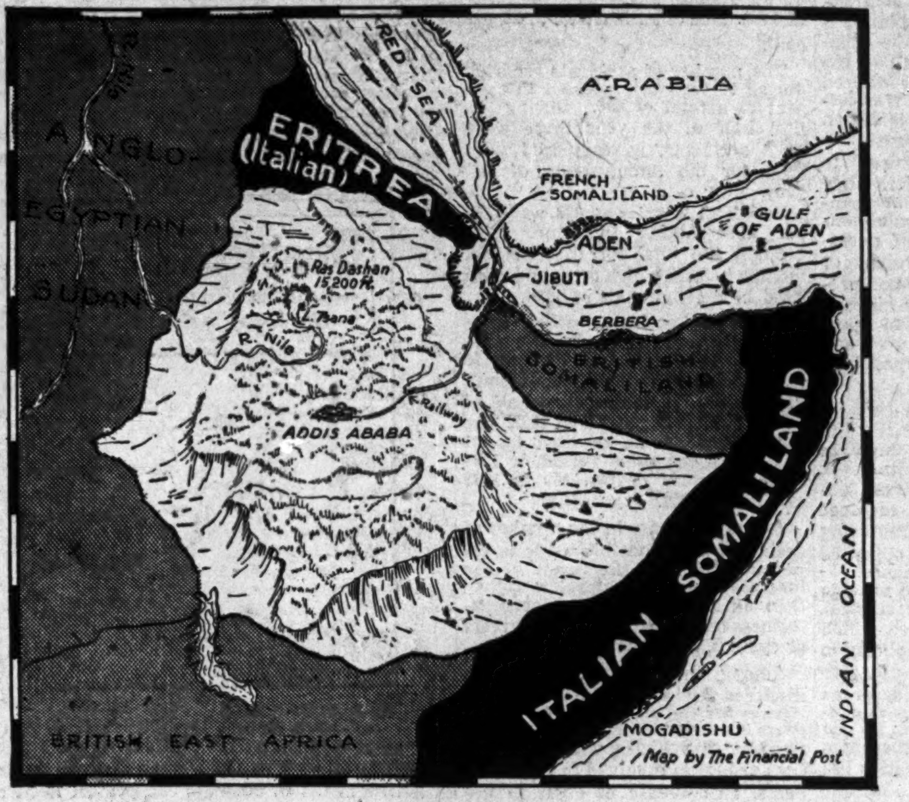
The last quarter of the nineteenth century witnessed a final wild scramble among the European powers for a partition of the rich African prize. As we have already seen, Italy arrived late but greedy, and due to British pre-occupation in Egypt, obtained with tacit British approval a foothold at the base of the Red Sea (now Eritrea) at the very spot where Abyssinia obtained access to the sea coast. From this vantage point she pressed toward the goal of complete subjugation of Abyssinia in which she had the apparent benediction of Great Britain who in 1891 signed an Anglo-Italian pact which, save for a narrow strip along her western edge, gave Ethiopia over to Italy.

It is this very protocol which Mussolini now cites as evidence of Britain's recognition that Ethiopia is included in the sphere of Italian influence, because of the fact that subsequent treaties are said to confirm this original "status quo."

* * *

Britain's Stake

GREAT BRITAIN'S most direct interest in Ethiopia (originally set forth in a pact signed with that country in 1895) concerns the headwaters of the Blue Nile River. This coveted asset, situated in the heart of Abyssinia, culminates in a natural reservoir at Lake Tana (or Tsana), the fountain head of a water supply which, although always carefully guarded by Great Britain, became of practical economic value for irrigation, perhaps for the first time in history during the first quarter of this century following the economic development of the Sudan under Anglo-Egyptian rule.



Map by The Financial Post

Hemmed in by 11,000,000 square miles of foreign countries and protectorates, Abyssinia is the last remnant of native Africa to maintain her independence. For 40 years she has been coveted by Italy as that country's rightful "spoils" in the scramble of white races for Africa's rich prizes.

But Italy is forty years late in her colonial conquest and in the meantime the world has moved toward new ideas and ideals, which means that Il Duce may completely upset the international apple cart once he starts to conquer this highland empire.

The map shows the way in which Abyssinia is completely hemmed in by rival white peoples—Britain, France and Italy.

Last week Signor Mussolini confirmed in a press interview that Italy and Britain were in "complete accord" in respect of the Nile waters and that Britain's local interests in Ethiopia "are therefore completely safeguarded."

But of what value are Mussolini's promises? Britain may well ask herself.

* * *

Port for France

THE third great Power with an original stake in Abyssinia is France. Through a small share of spoils known as French Somaliland, France early established herself at the port of Djibouti, immediately south of the Italian colony of Eritrea. This is the only French soil which adjoins the rich East-West trade route via Suez. It is insignificant in area and productivity but a splendid trade centre and now affords a direct outlet for the capital of Abyssinia (Addis Ababa) by means of the railway connecting these two centres. The railway was undertaken by French capital in 1894 and completed in 1918. Subsequently arrangements were made reserving to Britain and Italy the right of co-operation in the administration of this line.

* * *

Nice Quiet Treaties

WITH this bond of common interests it was natural that Italy, France and Great Britain should wish to preserve their respective rights in Abyssinia. Accordingly they drew up a treaty in 1906 (without, of course, consulting Abyssinia) in which each agreed to take concerted action to safeguard their several special interests. France, its railway; Britain, her Nile basin; and Italy, her two possessions—Eritrea to the north and Italian Somaliland to the south—and the *"territorial connexion between them."* The latter phrase is important in that these two possessions of Italy are, as they stand, of little importance to her since they are split in two by the land she covets. In short, then, Ethiopia itself is no less than the "territorial connexion between them."

Historians make no bones about interpreting this agreement, made, it will be remembered, without any participation of Abyssinia herself, as "ominous of the destruction rather than the preservation of Abyssinian independence." But nothing untoward happened in the next few years prior to the war.

* * *

ONCE the war was over, however, Abyssinia became apparently rather nervous of her position and in 1923 applied somewhat abruptly for admission to membership in the League of Nations. This soon stood her in good stead, for two years later Britain and Italy very quietly exchanged notes with a view to mutual extension of their respective interests. These were, for Britain, the right to construct a barrage at Lake Tana; and for Italy the right to construct a cross-country railway through Abyssinia, linking her two colonies of Eritrea and Italian Somaliland. The discussion followed closely a "new deal" offer made to Britain by Italy in 1919.

To make a long story short, Abyssinia immediately protested to the League against this secrecy. Both Italy and Britain protested their innocence of any ulterior motives, but the ensuing publicity resulted in confining "the scope of the agreement within innocuously modest limits."

Subsequently, when the ill feeling had died down, Italy began negotiations for a treaty on her own. This came near fruition in 1928 in a Pact of Friendship and Arbitration, providing for perpetual peace and friendship between herself and Abyssinia. A supplemental agreement offered Abyssinia a motor road from Addis Ababa to the port of Assab in Eritrea with a free zone in the port on a 130-year lease. The supplemental agreement was subject to approval by both governments of the plans which were to be worked out by a committee of experts. It was never consummated.

* * *

Shooting at Wal Wal

MEANWHILE Italy had been gradually encroaching the established frontiers. "Spies," it is said, "brought tales of new roads, of fortified posts and radio stations well inside Ethiopian territory." Thus it came about that on November 23, 1934, the famous Wal Wal shooting episode occurred which is ostensibly responsible for the impasse in which the nations now find themselves.

Of this episode, suffice it to say that it involved members of an Anglo-Ethiopian Joint Commission who, curiously enough, were at work on a boundary line between Abyssinia and British Somaliland in accordance with a treaty dated 1897. According to accepted maps the spot (Wal Wal) was 60 miles within Abyssinian territory, nevertheless Italian troops eventually opened fire "with tanks and aircraft in support" and 107 Ethiopians were killed and 45 wounded.

Emperor Haile Selassie appealed to the League.

And thus on September 4, after long delay (during which the warlike preparations of Italy have proceeded apace), the dispute is slated to come before the League council at Geneva.

* * *

Is Ethiopia Doomed?

IRRESPECTIVE of what happens at Geneva, observers seem united in the view that nothing can or will now deter Mussolini from pursuing the forty-year hope of a conquest of Abyssinia. "As soon as we are allowed to devote ourselves to the immense undertaking of colonizing and civilizing Ethiopia," he says, "we shall be associates not antagonists of the British Empire." Opening up of the vast Ethiopian interior, he maintains, will benefit all civilized states and the task would "completely fulfill all colonial aspirations of Italy." It would certainly offer Italy's teeming millions an agricultural and commercial future now apparently far removed from reality.

And here a startling viewpoint confirmed by observers in various countries must be noted. Namely that Italy (it is said) will enter on this conquest without actual armed resistance from Britain and France, because to do otherwise at so critical a time in European history would destroy a three-power unity between Italy, France and Britain which is deemed essential if Hitler's aims and aspirations are to be held in check. The argument is put bluntly by Raymond Swing in a recent article in Today. He says:

> "The tragedy for Ethiopia is the rise to power of Hitler and his Nazis in far-away Germany. Having fled belatedly to the society of nations as a safe refuge from white imperialism, Ethiopia now finds itself the pawn of a game of death which approaches toward Europe. Mussolini, when he snatches Ethiopia, can thank Hitler for it. Europe does not like this snatching, but it abandons half-formed scruples in the interest of the graver stakes involved.
>
> "Every question in Europe—or Africa—now is answered in relation to the larger question of who will stop Hitler when he has built up his full military strength. War in Europe may be two, four, six or more years distant. By yielding to Italy, Britain and France have preserved the loyalty of a member of the common front."

It is this argument which is being advanced to support the view that Britain will not use any power she might have to close the Suez Canal and thus block the Italian campaign. Actually the treaty of 1888 seems to indicate Britain's legal responsibility to keep the canal open in peace or war.

* * *

AGAINST this are many possible alternatives.

One, that Britain may be fearful of losing her Lake Tana headwater to a rival power, once Italy conquers Ethiopia. Two, that Mussolini, reputed to be an excellent poker player, may yet wangle sufficient concessions without recourse to arms. This latter possibility seems remote in view of another attribute of Mussolini, namely his belief in war as a "purification of the human race" and also the generation-long bitterness between the two peoples since the Battle of Adowa. A third reason, of course, might be the decision of Britain to carry through opposition to the Italian programme for purely moral reasons in view of her leadership at Geneva.

* * *

New Versus Old

FINALLY, what of Abyssinia herself?

With an area of 350,000 square miles (not quite as big as British Columbia) she is notable more for potentialities than for present assets.

Physically one of the most attractive areas on the east coast of Africa because of her commanding height above sea-level, the interior is completely primitive with most of the inhabitants in extreme poverty and vast numbers still in slavery. It was the Ethiopian slave raids which during the first quarter of the present century offered an important threat to international peace and gained for Abyssinia the reputation of a bad neighbor and an international sinner in respect of slavery.

She has practically no towns in the modern sense of the word, the chief centre being Addis Ababa with a population of about 60,000 to 70,000.

> "No roads, no bridges; a wilderness of wild beasts, of lofty peaks and tremendous ravines, with here and there the fortified castle of a kinglet. Such a one is Wolda Ras Hailu of Gojam who 'came to town' for the Emperor's coronation with an army of his own and thousands of retainers and slaves besides."

This feudal potentate is reputed to rule two million people in the same region where the waters of the Blue Nile, or Bahr-el-Ashar, take their rise.

On the other hand, under progressive Emperor Haile Selassie—"a frail little Semite, with hands and feet incredibly small and skin of old ivory hue, who uses a huge motor car with high seats behind it for footman and guards," the country is undoubtedly making slow progress.

Thus Belgian and Swedish officers are said to have drilled and modernized his army. Norwegian doctors and nurses staff his new hospitals copied from those he saw in Paris and London during his triumphal European tour of 1924. A Swiss jurist advises his slave courts. To American engineers he looks for roads and bridges.—He has entrusted construction of the barrage works at Lake Tana to a New York engineering company. His prospecting geologists are either Germans or Anglo-Egyptians.

His advisers mostly, it will be noticed, are white nationals "with no ulterior motives." But he early courted favor with Japan by sending his nephew to Tokio on a mission which culminated in a special concession of 2,000,000 acres of land, ideal for growing cotton. At the present time Japan denies any interest in Ethiopia but trade figures disclose she has a rapidly growing stake there. She was achieving by peaceful penetration what other nations had failed to do in centuries by force of arms.

* * *

Abundant Resources

THE forests abound in valuable trees, including rubber; while placer gold, iron, coal, copper, sulphur and platinum have been found. Italian capital has already exploited the valuable potash beds, while two Belgian companies are working coffee plantations.

Another typical contrast of old and new is the State Bank of Ethiopia—which bought the banking monopoly in 1931 and has a capital stock of English shillings. At the same time the bulk of nation's trade is carried on by means of barter, the chief currency being salt bars and cartridges.

Lack of progress in the past, it is said, has been due to "disturbed political conditions, the lack of communication, bad methods of taxation, suspicion of foreign enterprise and currency difficulties."

What a grand chance for Il Duce: a chance to gamble all, including his own dictatorship over the Italian people, on a glorious African adventure. Victory means power, fame, land, resources. —perhaps respite from the financial abyss into which he and his country are now falling. Defeat means economic collapse—possibly Communism—and most certainly the end to Mussolini's rule.

And what a fateful enigma for the rest of the world!

REVENUE GAINS FOK VANCOUVER TO AUGUST 15

Net Improvement $674,602 Due to Tax Collection Campaign

Net improvement in Vancouver's revenue of $674,602 for the 7½ months ended Aug. 15, in comparison with the 1934 period, is reported by Charles E. Tisdall, chairman of the civic finance committee.

Budget expenditures are exceeding estimates only in respect of police service and costs of direct unemployment relief. Estimates placed expenditures at $894,000 in excess of revenue. This anticipated deficiency was increased to $1,184,000 by arbitration award of an increased grant for education.

Actual revenue for the 7½ months was $11,691,877, compared with $10,746,879 in the 1934 period. The increase is $944,997, from which, however, $270,396 motor tax received from the province is deducted to calculate the gain over last year. The motor tax was not received until Sept. 11 in 1934. Hence the net increase over 1934 is really $674,601.

Bank Loan Paid

The city obtained a credit for $5,000,000 at 4½ per cent from the Bank of Montreal early this year in anticipation of tax collections. Peak loan was $3,250,000 in June. By Aug. 7 this loan was paid in full and by Aug. 10 the tax anticipation loan remaining from 1934 had been paid.

The city now has a small current bank overdraft. Also it has a loan of $4,073,410 secured by unsold debentures.

Duke-Price Power Changes Name to Saguenay Power

From Our Own Correspondent

MONTREAL.—Duke-Price Power Co., one of the principal hydro-electric operators in the Dominion, has changed its name to Saguenay Power Co., according to an official notice appearing in the Quebec Gazette. The new name does not imply change in control, policies, etc.

The company was incorporated in 1924 and owned by the Quebec Development Co. Two years later a redistribution of the capital stock gave a controlling interest to the Aluminum Co. of Canada, and a substantial interest to Shawinigan Water and Power Co., the remainder being held by Duke-Price private interests.

Public financing carried out by the company has been limited to an issue of $37 millions six per cent first mortgage bonds, which have since been reduced to slightly better than $35.5 millions.

Current reports are that the company plans on redeeming the first mortgage bonds and replace them with an issue carrying a lower coupon rate. The new rate is likely to be less than 4½ per cent, which would effect a considerable saving to the company in interest charges. To date no official announcement has been made in regard to the refinancing plans.

Valleyfield Diocese Bonds Sold at Par

From Our Own Correspondent

MONTREAL.—Ernest Savard Ltée and Credit Anglo Francais are offering $275,000 of four per cent 25-year serial first mortgage bonds of the Roman Catholic Episcopal Corp. of the Diocese of Valleyfield. These bonds, which can be called at 101 and accrued interest on 30 days notice after 1940, are redeemable serially from 1936 to the maturity date in 1960. All of the bonds maturing serially between 1936 and 1940 have been sold privately, the balance being offered publicly at 100 and accrued interest.

Proceeds of the issue will be used by the corporation to redeem an existing 4½ per cent issue of $200,000, while the balance will be used to pay in part for the construction of the cathedral and other purposes.

Canadian Locomotive Gets Railway Order

Orders for five locomotives have been placed with the Canadian Locomotive Co. by the Canadian National Railways. These will cost a total of $492,000 and have been placed under the supplementary Public Works Act of 1935.

Ths is the first locomotive railway order placed with the company in over five years.

Plan Grading Gasoline Sold in Saskatchewan

From Our Own Correspondent

REGINA.—The provincial government at the next legislature will introduce regulations for standard grades of gasoline and fuel oils. Gasoline will be colored to represent certain grades and the grade standards will be fixed by legislation. Periodical analysis will be established to ensure maintenance of the proper standard.

The minister of highways and transportation, Hon. C. M. Dunn has studied the Nova Scotia regulations and legislation in effect elsewhere. Further regulations may be announced later.

Canal Traffic in July Below That of Year Ago

Although wheat movement through the Sault Ste. Marie canals in July was heavier by almost 10 million bushels, total tonnage eased off slightly from the previous year to 7.5 million tons. Iron ore registered a substantial increase, but grains other than wheat and soft coal declined.

All grains, soft coal, coke and iron ore passing through the Welland canal were all lower than in July, 1934, and brought the total to 1.1 million tons, as against 1.3 million.

In the St. Lawrence canals, total traffic was up from 977,261 to slightly over one million tons due largely to increases in corn and coal shipments.

Canadian National Railways Change

R. P. ORMSBY W. H. HOBBS

Canadian National Railway Company announces the retirement of R. P. Ormsby, secretary of the company, on August 31. Mr. Ormsby has been with the company for many years. He will be succeeded as secretary of the C. N. R. and various allied and controlled companies by W. H. Hobbs, formerly assistant secretary.

EXTEND AIRMAIL FROM VANCOUVER BY FEEDER LINES

Will Connect With U.S.—See Challenge to Canadian Airways

From Our Own Correspondent

OTTAWA.—The first extension of airmail services to be authorized in many months will likely be announced in the immediate future when tenders will be invited for a daily service between Vancouver and Seattle.

This service, when in operation, will make the third "feeder" line to connect large Canadian cities with the transcontinental airmail services in the United States. Connections already exist between Montreal and New York and between Winnipeg and Minneapolis.

Challenge Canadian Airways

It is also probable that the bidding on this Vancouver-Seattle contract will reveal new and important trends in commercial aviation in Canada. The dominant position hitherto occupied by Canadian Airways is likely to be challenged by a new unit which will be brought into existence by the consolidation of a number of small companies now operating in the various provinces. The central organization in this new unit is said to be the Dominion Airways and there is reason to believe that substantial financial backing will be behind the consolidated company when it takes definite form.

Ottawa gossip indicates that the Molson's of Montreal and possibly interests connected with General Motors are two of the backers although official information is not available.

So far as the Vancouver contract is concerned it is thought doubtful at Ottawa if the Dominion Airways or any new unit of which it might be the centre will attempt to bid against Canadian Airways. For one thing, Canadian Airways is the only major commercial company operating on the Pacific Coast. It has been in the field for 10 years.

Favor Consolidations

Generally speaking, however, it would occasion no regret at Ottawa if competition along this line created an atmosphere favorable to further consolidations. The official view is that there are far to many small aviation companies in Canada and that consolidations, even to the point where but one large company remained, would be in the public interest. It is true, also, that the tendency here will be to favor the Canadian Airways in awarding contracts, provided other considerations are equal.

No Light Yet on Jap Dispute

From Our Own Correspondent

OTTAWA. — Hopes of an early settlement of the Japan-Canada tariff war have not been fulfilled and it is reported officially that conversations between the two governments, begun last week, are unlikely to result in an agreement.

These conversations were initiated by the Japanese government but the compromise proposal put forward, it is learned, was not very attractive to the Bennett government. While conversations are still proceeding, it cannot be said, according to officials, that the end of the dispute is appreciably nearer.

RETAIL BODIES NOT ALL ALLIED WITH STEVENS

Some Provincial Branches Neither Endorse Nor Oppose New Party

A survey of the various retail trade associations in Canada indicates that, contrary to general opinion, these organizations are not by any means giving unanimous and official support to the Stevens Reconstruction party in the coming election. Many of the strongest retail associations in the country such as the Ontario Retail Hardware Association, Canadian Pharmaceutical Association and others in the plumbing, stationery, and other lines of retail trade have taken no steps whatever to recommend the policies of the Stevens party to their members. They neither endorse nor oppose that party.

The Retail Merchants Association of Canada has been actively identified with the Stevens movement from the inception of the Price Spreads investigation and early reports were to the effect that the provincial branches of that organization would act as organizers for that party. It appears now that the members of certain provincial branches of that organization have taken issue with the idea of the R.M.A. seeking to influence the voting of its members and as result the present situation falls far short of unanimous support for the Stevens movement among the branches of the R.M.A.

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Sullivan to Address Insurance Officials

Hon. William A. Sullivan, commissioner of insurance for the state of Washington and president of the National Convention of Insurance Commissioners, is to be the principal speaker at the annual conference of the Association of Superintendents of Insurance to be held in Winnipeg next week. He will speak to the conference on the subject—"The Responsibility and Importance of Insurance Supervision."

Committee reports on life insurance, automobile insurance, definition and interpretation of underwriting powers of fire, marine and casualty underwriters credit and free insurance evils and accident and sickness insurance are to be presented to the conference.

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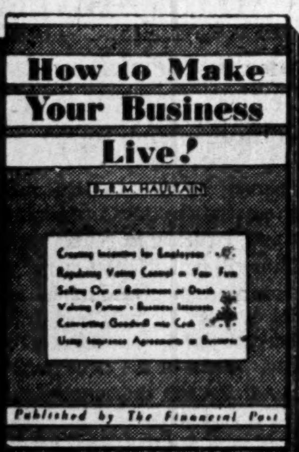

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Life Insurance Payroll

Holders of Life Policies Can Guarantee Fulfillment of Their Plans by Proper Use of Settlement Options

"For a man to place his wife's name on the payroll of a life insurance company is doing for her something of immeasurably greater value than to bequeath her the equivalent amount in cash along with the worries and hazards, investment problems and responsibilities which this entails."

So said H. B. Berwick, supervisor of field service at the annual agency convention of Manufacturers Life Insurance Co., at Digby, N.S., recently.

No Guarantee of Fulfillment

"Vast numbers of policyholders," said Mr. Berwick, "cherish the illusion that they have provided protection for their dependents because they own life insurance. In reality they possess nothing more than the means of accomplishing their purpose but without any guarantee whatsoever of the fulfillment.

"Recently a man came into my office about some business and I took the opportunity of finding out what his reaction would be to certain questions. I asked him how his insurance was payable. He said: 'To my estate,' and enquired if I thought it should be payable directly to his wife. I asked him what his wife would do for money if his death occurred. His answer was illuminating. 'I think she might buy some bonds.'

"'What kind of bonds?' 'I don't know what kind.' was the reply.

"Shortly afterward I asked another man the same question. He told me he intended to make a will but had not yet done so. I asked him if he would mind giving me a general idea as to what the will would specify in so far as his life insurance was concerned. I found out that he contemplated having the proceeds payable to a legal firm in Toronto with instructions to invest the money for his wife's benefit.

"He asked me if I thought this was a good plan and if not, what else he could do that would be better. When I started to tell him what could be done by leaving the money with the company, he interrupted to say that the amount of his insurance was too small to leave like that as his wife could not live on the interest (what magical investment he expected the legal firm could make for her, I did not enquire).

Size No Stumbling Block

"Although he had owned life insurance for years and had been interviewed on numerous occasions by life insurance men, that was his conception of the optional settlement. He was greatly surprised when I told him that even with as little as $8,500 of life insurance, he could provide a clean-up fund of $1,000 and guaranteed income of $60 per month for 12 years and seven months. Then, as he increased his insurance, he could extend the period.

Danger of Life Income

"Just here it is well to observe that where small incomes are arranged payable for life it is probably the intention of the insured to augument the amount of the income from time to time until it is enough for the beneficiary to live on. This is a hazardous plan because the insured may die before he has achieved his objective and his family may be thus forced to take $20 a month for life when they could have had $60 per month for between nine and ten years. In all cases where it is hoped to ultimately provide a living income during the life of the beneficiary, the required income should be arranged for a certain period and as additional insurance can be purchased, the period should be extended.

Important Responsibility

"A great responsibility devolves upon the underwriter in arranging optional settlements because serious consequences for the beneficiary may result from an ill-advised plan. The arranging of optional settlements to the best interest of a policyholder's dependents is by no means a simple affair. Neither is it so complicated but that a conscientious agent who is willing to study the subject can go a long way toward mastering it within a period of, say, a year, perhaps less.

Three Main Functions

"The really basic needs are:

"(1) A clean-up fund providing a sufficient lump sum payment at death.

"(2) A monthly income arrangement to provide at least absolute necessities of life for as long a period as the policyholder can afford, but preferably during the life of the beneficiary.

"(3) A fund, perhaps only a thousand or two, on accumulation with the company to take care of major and entirely unexpected emergencies.

Flexibility Discussed

"An argument sometimes advanced against the use of the settlement options is that they are inflexible and cannot be adapted to changed conditions. Is there any real substance to that objection, remembering, of course, that we are considering estates which consist largely of life insurance?

"After reviewing a large number of duplicate copies of actual declarations covering policies in force in our own company I can assure you that they seem to take into consideration every major contingency which if overlooked might prevent them from fulfilling the purpose the policyholder had in mind. It is quite true (and this is an important thing to remember) that we have no authority to exercise discretionary powers and that we must have a definite arrangement as to when we are to pay the benefits either by a certain date or by the beneficiary attaining a certain age or in the event of the death of someone.

"We cannot agree to a benefit on any such basis as 'When my son enters university' or 'Until such time as my son is self-supporting' or any other indefinite general term. We cannot agree to pay a benefit only so long as the person to whom the money is to be paid shall continue to use it for a specific purpose.

"Apart from considerations such as these it would seem that the settlement options can be applied so as to make them the surest, safest and most permanently satisfactory arrangement obtainable for the fulfillment of the average man's desire to protect his wife and family.

Four Basic Options

"The basic options in every policy issued by the company are four in number, as follows:

"Option No. 1 calls for the payment of the proceeds in installments for a fixed period.

"Option No. 2 provides for payment in continuous installments during the lifetime of the beneficiary, but guaranteed for at least 10 or 20 years.

"Option No. 3 provides that the proceeds may be paid as a life annuity based on the current annuity rates, but without any guaranteed return in the event of death.

"Option No. 4 provides for the accumulation of the principal at interest, subject to withdrawal at any time in amounts of not less than $100.

Adaptation Needed

"The needs of most policyholders, however, are not served by merely selecting one of these options exactly as they appear in the contract. In the majority of cases adaptation is required and then it is the company's practice to obtain all of the particulars as to how it is desired that payment be made and, if necessary, a special declaration is drawn for the policyholders' signature.

"The options can be used to cover a number of policies. They can be used singly or in combination. They may include contingent beneficiaries and, if necessary, mention the guardian or trustee who is to receive the proceeds on their behalf. They may arrange to pay an income to two persons as long as either shall live, and there are numerous other possibilities.

Obligation of Underwriter

"Today the obligation of the life underwriter to his client involves more than merely providing the means of attaining the client's objective for his family—it involves the responsibility of guaranteeing the fulfillment of that objective rather than leaving it to chance.

"The life underwriter can provide his policyholders with the services of an investment committee which has conclusively proved its ability to administer trust funds; he can give their dependents such widespread diversification of investment as cannot be duplicated elsewhere; he can obtain for his clients a guarantee that as long as the beneficiary's life shall last she will receive an income exactly as specified; never a cent less. Yes, and all this can be had by the policyholder without an iota of increase in premium."

PROPERTY DAMAGE IN AUTO ACCIDENTS GAINS 26 PER CENT

4,083 Automobile Accidents Reported in First Six Months

An increase in automobile accidents in Ontario and in non-fatal injuries and property damage resulting therefrom was recorded in June when compared with the corresponding month of 1934, a report issued by Hon. T. B. McQuesten, minister of highways, shows.

Property damage in June at $111,011 was 44 per cent higher than in the same month of 1934. For the first six months of the year property damage totalled $404,639 as compared with $83,297 in the first half of 1934. This is an increase of 26 per cent.

The number of accidents reported during the month increased 15.3 per cent to a total of 896. During the first half of the year there were 4,083 accidents, as compared with 3,671 for the same period of last year.

Non-fatal injuries at 828 were six per cent higher in June. This brought the total for the first six months to 3,628 which compares with 3,266 in the first half of 1934.

While fatal accidents in June were five lower, the total for the first six months is higher. A total of 176 fatal accidents in this period compares with 156 in the first half of 1934, 138 in 1933 and 177 in 1932. The 176 fatal accidents resulted in 201 deaths. In the same period of 1934 there were 164 deaths, 149 in 1933 and 191 in 1932.

A sharp increase in the number of accidents involving bicyclists is reported. This was the result of the increased use of bicycles rather than an indication of greater recklessness on the part of either drivers or cyclists, the report states.

Among the interesting features disclosed by a comparison of the figures for the first half of the two years is a decrease from 13 to 9 in the number of vehicles with defective tires or brakes involved in fatal accidents, an increase of eight in the number of hit-and-run drivers apprehended and an increase of six in the total number of drunken drivers involved in accidents.

Toll of Business

Abnormal Losses from Failure and Bankruptcy Can be Cushioned by Use of Credit Insurance

There is one business in Canada that has been having a rough time of it during the last year or two. We mean the business of Going-out-of-Business—commercial failures.

Last year, for instance, a leading commercial rating organization reported only 1,627 failures in Canada. This was but two-thirds the number the previous year and the lowest figure since 1920. Total liabilities of bankrupt firms in 1933 and 1934 combined, amounted to less than in any single year since 1929.

Never Quiet For Long

But manufacturers and jobbers—anyone who hands out merchandise on credit—should not be lulled into a false sense of security by such good news. For commercial history proves conclusively that the business of going-out-of-business never stays in the doldrums for long.

If you don't believe this, glance at the chart accompanying this article and see what happened, for instance, when we began counting the cost of war-time inflation. Liabilities of firms which went into bankruptcy jumped in one year alone from $26 millions to $73 millions and struck a record peak the following year of $78 millions.

A short, rapid inflationary movement in 1936 and 1937, the next year or two, followed by a reaction, might easily push the failure toll up toward the $80 millions mark in no time.

What Can Be Done?

What can be done about it?

Perhaps we can hope the financial and economic experts will have found a way to ease the shock of business ups and downs. Or perhaps business men have learned many lessons in recent years and the mortality and the financial loss involved will not be so great—next time.

But all these things are merely promissory hopes. Is there no way in which business can really insure itself against this recurring and ever present toll which has involved Canadian manufacturers and jobbers in a $623 millions liability in the past 14 years?

Yes, there is another answer, namely credit insurance.

Story of Credit Insurance

In the United States, credit insurance has been actually available for upward of 40 years. In Canada, it has been available for a much shorter period but the experience developed over more than a generation across the line is available none the less in solving the problem in this country.

What is credit insurance?

In brief, it is a guarantee (subject to the provisions of the policy) that losses from bad debts will not exceed a "normal" amount incident to your particular business. It is, in brief, protection at a nominal cost against loss by insolvencies that cannot be foreseen nor prevented by any credit grantor.

Fire Insurance Analogy

The argument is very largely the same one which applies to fire insurance. No manufacturer or wholesaler would think of carrying on business without fire insurance, yet the total loss to business from this source has never averaged anything like as much as the loss to business through commercial failures. The accompanying chart shows this very graphically.

For in the last analysis, the commercial failures which really hurt business are the ones that are unpreventable; are the ones that are just as uncontrollable as the fire hazard.

Hard to Diagnose

Analysis of the cause of business failure shows this clearly. It shows, for example, that many if not most of the real causes of business failure arise from situations difficult if not impossible to check at the time credit is extended.

An equally important point is the fact that the bulk of losses occur through what happens between the time goods are sold and the time the accounts become due. Few firms knowingly sell goods if they are dubious of being paid for them. It is the unforeseen things that happen during the 30, 60 or 90 days during which payment is being made, that is responsible for most credit losses.

Most business men take every precaution to protect and safeguard their products while they are in their hands. Credit insurance gives protection during the one, two or three months that the goods are in customers' hands but are not yet paid for.

Protection Against "Abnormal"

Mention was made that credit insurance only assures that bad debts will not "exceed the normal loss" to a particular business. This is important and is at the root of any sound plan of credit insurance.

For this type of protection does not aim to do more than protect the business man from his abnormal credit losses. It does not guarantee that he shall lose nothing through the insolvency of his debtors but it does guarantee that if he practises proper precautions, he shall not lose more than he expects to lose and more than he makes proper provision for.

"Normal loss" is a fair, reasonable sum of money which every business house finds it necessary to set up as an average reserve. This normal loss should be included in the regular overhead expenses, and automatically becomes a part of the selling price of merchandise.

What is "Abnormal?"

Under the heading, "abnormal losses" would be such things as a sudden deflation of prices such as occurred in 1920 and may occur again, or perhaps a drought or crop failure which affects one particular territory. Any of these represent abnormal conditions beyond the control of the credit department.

Other abnormal situations, any of which may cause the sudden failure of a debtor (between the time you have shipped your merchandise and the time it is paid for) are such things as the suicide or the disappearance of an official, disclosing unexpected heavy inroads into assets; the failure of an affiliated company; inability to refinance maturing bonds or mortgages; a damage verdict for a large amount, a disastrous fire with an inadequate fire insurance protection; disclosure of hidden liabilities such as unrecorded demand notes for large amounts.

Other Advantages

Modern credit insurance has many other functions and features of interest to business. Thus, it offers collateral benefit of interest to bankers. One of the policy conditions issued by a leading company states the following:

"This policy is not assignable but the company may provide upon written request of the indemnified, that any excess loss ascertained to be due and payable shall be paid to any bank, trust company or any other payee, designated by and for the account of the indemnified."

Modern credit insurance also provides a valuable specialized collection service in the collection of accounts. One company claims that in one year alone, it saves its policyholders over $6 millions in the United States and Canada through its collection or "loss prevention" service. The same company claims that in over a period of 40 years it has collected for and remitted to policyholders over $73 millions in addition to claims paid of $29 millions.

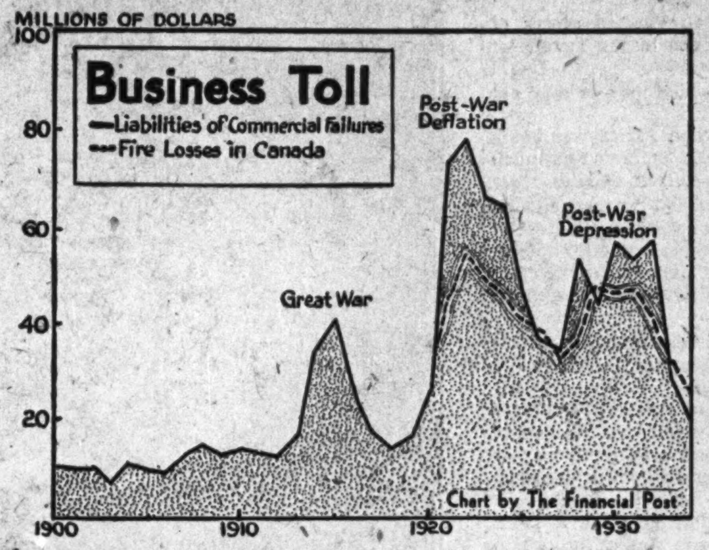
Place of Credit Department

Perhaps you say: "But we have a credit department and a very efficient credit manager."

What is the answer?

In brief, that credit insurance no more takes the place of a credit department than fire insurance takes the place of a fire department or of the fire prevention precautions that every wise firm practises.

The credit department plays the same rôle as fire doors, automatic sprinklers and similar equipment, as a preventive against loss. It plays the same rôle as a fire department in checking and fighting losses when they do occur. In both cases insurance backs up and supplements the work done by these agencies in providing assurance that abnormal losses will not suddenly emerge to blot out current and past profits by unexpected, unpreventable fires—or failures.



The rapid upswing in losses from Canadian failures during the past 35 years is clearly shown above. At the moment the toll has slackened but experience indicates that it may quickly swing upward again. A way in which business can protect itself on this score is shown in the accompanying article.

Failure losses greatly exceed fire losses in most years, the chart also reveals.

New Sun Life Managers

J. F. H. WALLACE

KENNETH Y. STANTON

Sun Life of Canada announces the appointment of J. F. H. Wallace as manager of the company's Ottawa agency. He succeeds W. Lyle Reid, for 35 years manager at Ottawa, who has retired through ill health. Joining Sun Life after the war, Mr. Wallace in 1922 was made manager of Central Ontario branch and in 1932, manager at Montreal Mansfield agency.

Mr Stanton, who succeeds Mr. Wallace as manager of Montreal Mansfield, has been with the company 26 years and boasts the remarkable achievement of an average yearly production of new business in that time of $258,000. Total production for the period is $6,708,000. Mr. Stanton's father, J. C. Stanton, retired recently after 25 years as manager of the Montreal office of the company.

Fire and Casualty News

Lower Overdue Balances Reported as at June 30

The amount of agents' balances in Ontario more than 90 days overdue was $146,401 lower at June 30 last than at June 30, 1934, a report issued by R. Leighton Foster, superintendent of insurance for Ontario, shows. Aggregate amount of balances in this category as at June 30, 1935, was $255,738 which is $40,245 lower than at the end of the previous quarter.

In addition to the above balance due to insurance companies from agents, general agents reported the amount due from sub-agents, brokers or other persons from whom they pay commission was $12,657. This represents a decrease of 69.9 per cent from June 30, 1934, and a decrease of $5,683 from March 31, 1935.

Improvement is also shown in the number of agents reports as being more than 90 days in arrears in the payment of balances. A total of 900 agents were reported to be in arrears as at June 30 last as compared with 1,081 as at June 30, 1934, and 918 as a March 31, 1935. A total of 633 agents were reported by one company, 165 by two companies, 42 by three companies, 21 by four companies, 13 by five companies, 21 by more than five, four by more than ten and one by more than 20 companies.

The following table shows an analysis of the quarterly returns, the province being divided into five districts and the premiums due reported by amounts:

Agents With Balances 90 Days or More Overdue as at June 30, 1935

	Under $1,000	Over $1,000	Over $2,000	Over $3,000	Over $4,000	Over $5,000	Over $10,000	Over $20,000	Total
Toronto	287	12	3	1	1	5	..	..	309
Hamilton	34	3	1	..	..	..	..	..	38
London	28	..	1	..	..	..	..	..	29
Windsor	22	1	..	..	..	1	..	..	24
Ottawa	49	4	..	1	..	..	..	..	54
Elsewhere	426	12	4	..	1	2	1	..	446
Totals	846	32	9	2	2	8	1	..	900

Insurance Inklings

Windsor Life Managers Meet

First meeting of the newly-formed Windsor Life Managers Association was held in that city recently. D. H. Young of Great West Life is president; J. J. Grozelle of Canada Life, vice-president; E. W. Smith, Mutual Life, secretary; W. Haslam, treasurer.

New Licenses

Crostien Fraternal Union of America is authorized by the federal insurance department at Ottawa to transact life, sickness, and accident insurance, to the extent authorized by its by-laws, constitution, etc. R. B. Hill, of Toronto, has been appointed chief agent in Canada.

Postpone Withdrawal Of Auto Duty Discount

The Tariff Board enquiry into automobile duties will not be completed until after Oct. 1. Consequently the recent order-in-council, which would have withdrawn the 1931 provision of a discount for duty purposes of 20 per cent has been postponed. This order would have been effective as from Oct. 1. It is understood that the Tariff Board will extend its investigation to the consideration of discounts.

Alberta's Funded Debt Up Nearly $4,000,000

Alberta's net funded debt was $136,122,786 at March 31, 1935; it was $132,143,064 a year earlier, so that the increase is $3,979,722.

In the year ending in 1934 the province received an installment of $5,000,000 on the sale of the Northern Alberta Railways which contributed to a reduction in the funded debt.

For the three months ended June 30, 1935, Alberta's total receipts were $3,830,082 and payments were $4,291,066. This is an excess of cash payments of $460,984, according to the quarterly analysis of accounts by J. C. Thompson, provincial auditor.

Simpsons Ltd. Report Second Monthly Gain

July sales of Simpsons, Ltd., are reported higher. The gain is understood to have been still better than that in June.

For the first five months of the current year which practically corresponds with the calendar year, sales, however, are understood to have been less than for the same period in 1934.

Saskatchewan Relief Will Be Less Costly

From Our Own Correspondent

REGINA.—Saskatchewan's relief expenditure for the coming winter will be decreased from 50 to 75 per cent according to present indications. This means the first real let-up in five or six years from an extraordinary expense running into tens of millions of dollars since 1931.

Approximately 25 municipalities appear to be possible relief centres this winter and they are situated on the western border of the province, where drought effects were serious this summer. The situation in the rust area is not so bad. While there will be little millable wheat, farmers of that territory will have feed supplies for home consumption and for sale.

The Highway's Greatest Menace

Ontario Motor Vehicles Branch

The majority of motorists will admit that there are hundreds of persons who should be denied driving privileges, but it is doubtful if any of them would be willing to admit that their own manner of operation leaves anything to be desired.

A driver of this type considers it ridiculous that he be asked to drive at twenty miles an hour on a residential street. If, however, his own child or family is endangered by another driver who holds the same opinion of the regulations, he says that it is a scandal that nothing is done about it. He will say that it is unreasonable when he receives a summons for parking wherever it happens to be convenient, but, when driving, is indignant if he is delayed by a traffic hold-up due to other standing vehicles.

Or if he has experienced no difficulty when travelling on the highway at fifty miles an hour he assures himself that this is a safe speed, but considers the motorists who pass him, dangerous and foolhardy. He will argue that "speed in itself is not dangerous," but seldom by the same method of argument, bothers to show that other conditions are not "in themselves" dangerous.

A good many operators believe that twenty, thirty or a hundred thousand miles behind the wheel without accident is proof that they are excellent drivers and that it entitles them to give sound driving advice. In their self-satisfaction they drive as they like to drive, and disregard laws enacted for the safety of the public, apparently considering themselves supermen—immune to the hazards which beset ordinary people

It is this conceited, self-satisfied attitude—which makes them believe that traffic regulations are all right for the "other fellow"—which causes a new group of drivers to appear on the accident records each year. It is this discourteous attitude which is the greatest highway menace, the greatest hindrance to efforts to promote safer transportation.

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Dominion Coal

I shall be obliged if you will furnish me with a report on Dominion Coal Co. 6 per cent cumulative preferred stock. This is the new security.

Dominion Coal Co. 6 per cent cumulative preferred stock $25 par value, represents the new security issued by the company to the holders of the old seven per cent preferred stock under the plan of financial reorganization approved some months ago. As a result of this deal, accumulated arrears of dividends amounting to around $80 a share were wiped out. At the end of last June the accumulated dividends on the new preferred amounted to $1.12 a share and in July the directors declared an inaugural dividend of 75 cents a share for the half year ended March 31, 1935.

In the last two or three years earning power of Dominion Coal has increased at a rapid rate. This has been due to a variety of causes, principally increased operations at the Sydney steel plant and the opening up of the Ontario and Quebec coal markets through subventions provided by the Dominion Government. This subvention appears vital to continuation of the success of the past two years. In 1933 the company sold 2.9 million tons of coal on which the net profit amounted to $220,331, the equivalent of $7.34 a share on the old preferred stock. Last year coal sales totalled 3.8 million tons on which the net profit was $755,522, or $25.18 on the old preferred stock. Earnings last year were equivalent to approximately $3.15 a share on the present 6 per cent preferred stock, as compared with dividend requirements of $1.50 a share.

Reports on current operations are that the coal output is running at approximately the same figure as last year, and in the event of no adverse developments, profits for this year should be well in excess of dividend requirements.

Standard Fuel Preferred

I hold Standard Fuel preferred stock. Is there any reason why I should sell just now?

Standard Fuel Co. 6½ per cent cumulative preferred stock is the senior security of Standard Fuel Co. It is outstanding to the extent of $1.2 millions and dividends have been paid regularly ever since the intital dividend on April 1, 1939.

The company has a strong working capital position which it has well maintained throughout the depression. It has no bonded indebtedness and owes nothing to the bank.

Ever since the preferred stock was issued, the dividends have been covered by earnings and profits were twice dividends in the year ended April 30, 1935.

Union Gas Analyzed

I would appreciate comments on the common stock of Union Gas Co. of Canada in the light of the following information I have been able to gather during the past year.

I understand the original company was organized in 1904 as a natural gas producer in Western Ontario. To protect the market for its production it acquired control of retail distributing companies in the Border Cities, Sarnia, London, Hamilton and other smaller centres. Although the Hamilton deal was quite unfavorable from a direct earning standpoint and temporarily impeded the earning progress of Union Gas it completed market consolidation plans. Despite the burden of the Hamilton unit, earnings from all other fields of activity are favorable with a possibility that the Hamilton situation may ultimately be adjusted satisfactorily. It appears that the company is fairly solidly established as a producer and distributor of natural and artificial gases and their by-products and might be regarded as another Consumers' Gas in the making.

As regards earnings it seems from an analysis of statements and reports, earnings prior to 1931 were quite substantial all the way back for many years and during the worst years of the depression net earnings per share were realized after liberal allowances for depreciation, development, expansion, amortization of heavy bank loan ($500,000 per year), high interest on the bank loan and a $350,000 payment (equal to 50 cents per share) to Hamilton United Fuel in connection with that franchise.

Although earnings last year were only 32 cents per share (lowest in their history) I understand the figure would have been higher but for losses at London, due to higher coal and other costs. Incidentally any such losses should be turned into substantial profits this fall when the artificial gas plant is abandoned for natural gas.

A quarterly report just issued (apparently an innovation) shows for the worst quarter of their fiscal year double the 1934 earnings for the same quarter equivalent to about 64 cents annually. If this improvement is an index it would appear earnings for the current year could be estimated conservatively at near $1 a share. By wiping out current losses at London and showing a profit on natural gas sales another 25 cents to 50 cents per share seems possible or a total of $1.50. If such earnings are possible in the near future with all major losses on consolidation, expansion, etc., out of the way future earning possibilities should be substantially higher, up to say $3 to $3.50 per share (especially after the bank loan is fully repaid).

I have been told that an aggressive group of minority shareholders have been instrumental in having the interest rate on the bank loan reduced for a saving of three cents per share with a further saving possible and are actively interesting themselves in the highest possible earnings from strict economy and efficient management. If such is the case the interest of other minority interests would be better protected.

Using a conservative yardstick of utility market values, equalling ten times earnings it appears this stock is cheap at $5 per share. As I am looking for a stock with the highest potential appreciation over the next three to five years I have picked this stock as the best bet for a near term value of $15 and a long term of $40.

As I am not interested in diversification until I have something substantial enough to diversify, it is my desire to select the most speculative stock with reasonable safety of principal.

If you could point out to me some good reason (not disclosed in statements, reports, etc.,) for Union Gas selling so relatively low compared with other stocks and give me your opinion of the possibility of this stock meeting my expectations I shall greatly appreciate your assistance.

You have made a very interesting analysis of the financial growth, position and prospects of Union Gas Co. of Canada.

Much of what you say appeals to us as reasonable and the points made have been a potent factor with investors who have taken an interest in this company from time to time. Its affairs are apparently under good management and it seems to be coming through the depression in good shape, even though it entered it with fairly large obstacles to surmount.

Probably the largest obstacle to an immediate advance in the common stock to the point which you envisage is the secured special bank loan of $5,250,000. This has been reduced from year to year by about half a million dollars but to secure it there is outstanding as collateral to the bank loans, $7.6 millions of 5½ per cent first mortgage collateral trust sinking fund bonds due July 1, 1956. Sooner or later it is expected that the bank loan will be paid off and a first mortgage issue take its place.

It is impossible to consider the future of Union Gas Company without considering the position of United Fuel Investments Ltd. and its subsidiaries, Hamilton By-Product Coke Ovens and United Gas and Fuel Co., of Hamilton, and the United Suburban Gas Co. These have bonds outstanding to the extent of about $5.6 millions and though their working capital position seems strong, they must get into a position where they can pay 22½ per cent arrears on the preferred stock of United Fuel Investments before Union Gas Company can draw income through its common stock ownership. The income of Union Gas Company through its holdings of bonds of the subsidiaries is limited and its prospects in the end will be tied up with the prosperity of these subsidiaries and the possibility of them paying dividends on the common stock.

Net earnings of the year ended March 31, 1935, and net profits were down somewhat as compared with earnings of the two previous years. Yet, it is encouraging to see that the company was able to pay dividends and is increasing its earned surplus. Profits for the first quarter of the company's current fiscal year ended June 30, were, as you state, $112,966 as compared with $61,299 for the corresponding period of the previous year. The increase of $51,667 is stated to be largely due to an increase in the sale of gas. It is not safe to say that because net profits were twice as much in the first quarter that they will be twice as much in other quarters. An increase of 10 per cent in business of the company is often enough to shoot up the net profits two or three times and even change a net deficit into a net profit.

Earnings in 1935 were 32c. a share. You think the stock is cheap at $5 and pick it for a near term value of $15 and a long term value of $40. Naturally, if the last two figures are realized the first one will be, too. For a near term value of $15 you should anticipate earnings of about $1.50 a share or about five times what was actually available in 1935. If you expect a long term value of $40 to be realized, you would also expect that sooner or later the company will be earning a maximum of $4 a share which would be 12 times present profits.

The stock did sell in 1929 as high as $45 and as low in that year as $24.75 a share. It sold as low as $1.75 a share in 1932. Prior to June, 1931, the company paid as high as $1.60 a share. In 1929 it was hoped that the company would earn much more but the depression killed that hope as it did the hopes of many other companies. The company is very much alive and working along the lines you point out, however.

A conservative answer to your question would be that the company undoubtedly has possibilities and that it would pay the investor looking for speculative gains to watch quarterly and yearly reports carefully. Outside Hamilton it appears to be advancing in an encouraging fashion. The Hamilton venture has possibilities but it is that portion of the enterprise which has to be watched on account of the influence of tariffs and other factors.

It cannot be compared with Consumers' Gas which has a benevolent monopoly in Toronto, an exceptional franchise fair and satisfactory to both parties and a concentrated market which it can develop systematically and without gas competition.

International Utilities

I hold 25 shares of International Utilities Corp. Is there still point in holding on for some years?

International Utilities Corp. has not a very cheerful situation in the United States at present. Most of the New Deal legislation has pressed rather hardly on utility companies whose stocks it holds. Its chances seem somewhat better in the Canadian west but depend on Dominion Gas and subsidiaries doing better. They are improving their position somewhat but need a great revival in buying power in western Canada to realize potentialities.

Imperial Bank

I note that you do not express opinions on market action, but the persistent decline of bank shares and particularly of Imperial Bank shares has aroused my interest. I have no holdings at present but have had, and will again, if yields become sufficiently attractive. Is the earning power of banks suffering because of the loss of the note issuing privilege to the new central bank?

Chartered banks only start to lose their old note issue privilege at the end of this year. In each of the five years to 1941, the banks will be required to reduce their note circulation below the amount of paid-up capital by five per cent annually. Thus, by 1941, their issues will be limited to a maximum of 75 per cent of the capital of the individual bank. Then for the next five years, they must reduce 10 per cent annually. So, by 1946, banks will be able to issue notes only up to 25 per cent of their paid-up capital.

As yet, the scheme for gradual withdrawal of the note issuing privileges of the banks is not having a pronounced tendency to reduce earnings. As time goes on, however, the adverse influence of the withdrawal of the note privilege will become more marked.

The real problem of the Canadian banks at present is to get money out in satisfactory loans. Holdings of securities have been extended so tremendously that the gross income to the banks has been reduced materially. Imperial Bank of Canada has been fairly successful in maintaining its loans at a satisfactory level. For this reason, it has been able to maintain a 10 per cent dividend.

A much more important influence on bank earnings than withdrawal of the note issue is the revival of demand for loans. In Great Britain, for instance, banks have continued to make satisfactory profits, and, of course, they have no note issue. In Australia, bank profits fell steadily when the arbitrary interest rate reductions were made throughout the internal economy. Something similar to what happened in Australia has been happening in Canada. That is, interest rates have been declining, and the gross interest income on bank investments and loans has been declining more proportionately than have the interest charges on deposits. If and when there comes in Canada revival of demand for commercial loans, from borrowers who have satisfactory credit qualifications, banks will be able to earn dividends by a wider margin.

Imperial Royalties

We would appreciate receiving as much information as possible on the general situation of the Imperial Royalties Company of Canada.

We understand they are forwarding proxies for their shareholders' signatures, appointing Mr. John C. Notman of St. Catharines; Mr. William T. Pember, of Toronto; Mr. Hugh Thompson of Toronto, and Mr. Samuel A. Morrison, of Toronto, to act for the shareholders in some attempt to transfer the properties of Imperial Royalties Company, a business trust, to Imperial Royalties Company, a corporation.

Any information you have available as to the wisdom of this move or the financial position of the company would be appreciated.

As you are probably aware Imperial Royalties went into receivership some years ago. The receivership was lifted, however, and the company then operated under the direction of a board of three trustees. A powerful group of shareholders, feeling that the management of the trustees was unsatisfactory attempted to rehabilitate the company and make of it a regular corporation. Accordingly a Shareholders' Protective Committee has been appointed comprising the men mentioned by you in your letter of July 18.

An analysis of the present situation is rendered difficult inasmuch as we have seen no annual report for some years. We are officially informed that the company still has an income but, prior to entering liquidation, the ratio of non-producing to producing acreage held by the company was 10 to one. The stock has not now, nor had it at any time to our knowledge much marketability, a common weakness of royalty stocks.

While the outlook for this company at the present time does not seem to be particularly bright, we would believe that the move to form a corporated company, thus taking the management out of the hands of a few men, would be a step in the right direction.

W. E. & L. S. Railway

I hold bonds in the Windsor, Essex and Lake Shore Electric Railway. I understand that the railway has been in the hands of the receiver for several years and that the assets are held in trust for the bondholders by the Guaranty Trust Co. of Canada. These bonds, however, were guaranteed by the city of Windsor and several municipalities. How will the proposed merger of these municipalities into the new city of Windsor affect these bonds? Is anything being done to take care, of the liability under these guaranteed bonds, to the bondholders? It certainly appears to me that some action should be taken to secure a fair settlement to those who invested their money on the strength of the guarantee of the bonds by the municipalities in question.

Windsor, Essex and Lake Shore Railway Co. is no longer operating. The physical assets are being sold through the trustee, but the proceeds are not sufficient to mean much to bondholders. The chief assets securing the railway's bonds are debentures of some $1.1 million of nine municipalities formerly served by the road. These municipalities are: Townships of Windsor West, Sandwich East, Sandwich South, Gosfield North, Gosfield South, towns of Essex, Kingsville, Leamington and the city of Windsor. Most of them are in default.

Windsor bonds constitute about $355,000 of the total securities held by Guaranty Trust Co. of Canada for the benefit of bondholders of the W. E. and L. S. Windsor is the only one of the debtor municipalities under the W. E. and L. S. trust deed whose finances will be affected directly by the border cities merger. The Windsor bonds held by the trustee will undoubtedly be subject to whatever scheme of refinancing Windsor bonds is adopted in connection with the merger.

You should note that Guaranty Trust Co. of Canada could not easily take effective action to collect on the bonds of the defaulting municipalities which it holds for W. E. and L. S. bondholders. Some defaulters are protected from suit by Ontario legislation. Those not so protected would probably be given this shield if court action were taken.

The guarantees of the municipalities whose bonds secure W. E. and L. S. debentures are worthless, unless and until some arrangement is made to pay something on the bonds. What you hold is claim through the trustee against nine municipalities and each of the nine claims may have to be settled separately. Since the municipalities are not in good financial condition, some loss to bondholders appears likely to ensue. Undoubtedly the Guaranty Trust Co. will eventually have to take some action to obtain what satisfaction it can from the debtor municipalities for the benefit of bondholders. Action may be precipitated in the first instance, however, either by the provincial government or possibly by formation of a bondholders' committee. As yet, such developments are not in sight.

Trusts & Guarantee

Was the capital of Trusts and Guarantee Co. reorganized recently? I seem to recollect something of the kind.

Capital of the Trusts and Guarantee Company has not been reorganized, but was altered as at Dec. 31, 1933, in connection with the absorption of the former Union Trust Co. The authorized amount of $100 shares was raised to $3 millions from $2 millions. By issue of 5,700 shares to former holders of Union Trust stock, the amount outstanding rose to $2,532,000 from $1,962,000. Another $3,000 of stock was outstanding at the end of 1934, bringing the stock outstanding to $2,535,000. At the time of absorption, there were 10,000 Union Trust shares outstanding, for which 6,000 Trusts and Guarantee shares were to be issued.

Hiram Walker Stock

I hold some stock in Hiram Walker-Gooderham & Worts. I paid $42.50 a share for it. Would I do well to take my loss or is the company doing well enough to make it worth while to hold on?

Hiram Walker-Gooderham & Worts ends its year on August 31. Figures are not yet available but it is generally considered that its earnings on the common stock were more than in the preceding year.

The interesting thing that the financial statement will show is how much money the company has had to employ for its expansion and other operations in the United States. It has been a marketing operation of no uncommon size and has needed millions to finance it. The last financial statement showed that the company had borrowed largely from the bank in the United States to help it in this because its funds had been somewhat depleted by erecting the $6 millions plant at Peoria, Illinois. The fire which destroyed No. 3 rack warehouse will make some difference to the company but not as much as was at first supposed. The loss is covered by insurance and in three months it will have replaced the lost inventory of green whisky in a new warehouse just erected. However, new warehouses will be needed and the company will have considerable need for funds to carry maturing and matured liquor needed for the great markets south of the line for some time.

Huge quantities of alcohol are being manufactured in the United States and put aside for maturing by other large companies there and in about two or three years there may be a price war when companies weakly financed are obliged to sell. Against that period, Hiram Walker and the larger companies are advertising and building up appeal for their various brands of whiskies.

There remains the money to be gained by transferring its seven or eight million gallons of surplus alcohol held in Canada. This is being sent over as needed and mixed at Peoria, Illinois, for sale to the United States. On the whole, this company, because of its management, its financial strength and its experience in the business, appears to have as good an opportunity as any.

Building Products

I would appreciate any information you have on Building Products, including what lines they manufacture, their management, their financial position.

Building Products Ltd. was incorporated in 1925 as a consolidation of Bird & Son, a Canadian company having affiliation with Bird and Son of East Walpole, Mass., and Ruberoid Co., having affiliation with the Ruberoid Co., New York. The company owns and operates a number of properties, including two paper mills, three roofing plants and one asphalt plant and molding plant, located in Quebec, Ontario and Manitoba. Products manufactured include asphalt shingles, rolled roofing, roofing felts, wallboard, solid fibre shipping cases, waterproof paints and cements and allied products. The management of Building Products comprises interests closely identified with the merged companies.

The financial position of Building Products is one of considerable strength. At the end of last December the financial statement showed assets at $3.4 millions, of which $1.9 millions represented current assets and the balance land, buildings and equipment. Current liabilities amount to only $105,246. Capitalization consists of 116,346 shares of class A no par value stock and 4,500 class B no par value (voting) stock. Very substantial reserves have been set up by the company for depreciation, amortization of fixed property account and contingencies.

Tax on Dividends

I am interested in purchasing some Canadian bonds and stocks. Being a resident of New Zealand, however, I would like to know if there are any Dominion or provincial taxes on interest or dividends paid to residents outside of the country. If there are none, can you tell me if any are contemplated?

The Canadian Government has imposed a tax of 5 per cent on interest and dividend payments made to non-resident holders of Canadian securities. In the case of dividends, this tax is deducted at the source; in other words, the non-resident holder receives the dividend less five per cent.

In the case of registered corporation bonds, the five per cent tax is deducted at the source by the company and paid to the Dominion Government.

Where a non-resident holder of a bearer bond presents a coupon for payment, it is necessary for him to fill out a form giving particulars of his holdings and pay the 5 per cent tax. The tax does not apply to bona fide residents outside Canada holding government securities payable in other than Canadian currency.

International Pete

I have 10 shares of International Petroleum. Is the market near the top or would I still stand a chance of profit by continuing to hold?

International Petroleum has been paying very high dividends but a good deal of it is from accumulated earnings of the past. A good deal of interest will attach to its forthcoming balance sheet as this will be the first statement made by the company. One will then be able to come to a better opinion as to whether this is a good stock to buy or not at present market levels. He will know: first, what actual earnings are; and second, who undistributed resources are still held at the back of the company. Its place in world markets is undoubtedly important and growing.

Albert-Bay Bonds

What is the present situation of Albert Bay Co. (Dominion building) bonds? I have been urged to buy at 85.

Bonds of Albert Bay Company outstanding at July 10, 1935, were reported to be $337,000 reduced from $346,000. All ground rents have been paid to date and 1934 taxes, which were not paid at the end of the year, have since been paid. Sinking fund is still in arrears.

The property and building were valued at $706,371 in 1928. The president is Harry Rotenberg. The bonds are redeemable as a whole or in part by lots on 60 days' notice on any interest date at 103 and accrued interest. The original offering was made by Matthews & Company, Limited, Toronto, at 100 and accrued interest in 1927. Financial statements are not available.

Mining Enquiries

Halliwell Gold Mines

Will you kindly let me have whatever information you may possess regarding the present operations of Halliwell Gold Mines?

Halliwell Gold Mines Limited is developing a copper-gold prospect in Boischatel Township, Quebec. Comprehensive diamond drilling has been done both by this company and by the former operators, Halliwell Mines Limited, which transferred its assets to Halliwell Gold Mines Limited on the basis of one new share for three and a half old shares. Most recent reports from the property is that geoelectric survey, carried out during the months of June and July had been concluded and several new ore bodies, other than those disclosed by diamond drilling had been opened up. It is the company's intention now to drill these newly found deposits.

The method which this company has adopted in attacking this property has disclosed a thoroughness too frequently absent in companies at this early stage in development. As a result, the company has demonstrated that it is a prospect of some merit.

Tough Oakes Gold Mines

As a subscriber of your paper would you kindly advise me as to the status of "The Tough Oakes Mining Co.'? Hold 300 shares which I purchased 8 or 9 years ago —what would the market value be?

We assume that by "Tough Oakes Mining Company" you refer to Tough Oakes Gold Mines Ltd. This company, which owned the easterly property in Kirkland Lake's producing belt, was succeeded by Tough Oakes Burnside Gold Mines Ltd. This company went into liquidation in 1930 and the property was acquired by the present Toburn Gold Mines Ltd. Tough Oakes Burnside shareholders, however, had no equity in Toburn, and stock in either of these two companies is at the present time without value. At the present time there is no reason to believe that there will ever be any value attached to these shares inasmuch as Tough Oakes Burnside has been liquidated and the company wound up.

Rackets

Servicing

A PETTY radio servicing racket has been unearthed at a number of points throughout Canada.

In a leading Ontario town the other day, warrants were issued against two operators who had recently sold numerous radio servicing cards. About 100 people subscribed $1 apiece for these which were supposed to entitle them to free service on their radio for one year. After the town had been thoroughly canvassed the operators disappeared and at the time of going to press have not yet been apprehended.

Attracting trade in this case was very simple. The men simply had a card printed which was supposed to have their name and address and a little note to the effect that the buyer was entitled to free servicing of his receiving set for a year from the date stamped. Apparently there was no intention whatsoever of carrying out the terms of the contract.

Similar rackets have been worked on a smaller and larger scale including the servicing of motor cars, oil furnaces, gardens and a host of other schemes. Victims pay in advance.

Authorities point out that it is well to deal only with recognized and well established firms when making deals of this kind. Purchases from door-to-door and other transactions are thus confined to cash deals where the work is performed and payment made immediately afterward; not in advance.

P. E. I. Clam Chowder

Prince Edward Island producers put up 125 cases of canned clam chowder last year, in addition to nearly 1,300 cases of canned salmon.

CANADIAN SECURITIES

Dominion and Provincial
Government Bonds
Municipal Bonds
Public Utility
and
Industrial Financing

DOMINION SECURITIES
CORPORATION LIMITED
TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
15 King Street West, Toronto

Biltmore Declaration Checked By Exchange

Toronto Stock Exchange officials have advised directors of Biltmore Hats Ltd. that their declaration of a dividend payable to shareholders of record a week before the board met to take dividend action, was contrary to listing regulations.

The regular quarterly dividend of 1¾ cents on the preferred stock was declared payable September 14 on stock of record, August 15. The board met on August 22. The record date is changed to August 23.

The matter is described as a technical breach of regulation but it will probably lead to a stricter observance of the market regulations concerning such payments.

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Canada's National Magazine

◆

Dividends Declared

	This payment	Date payable	Date of record
Acme Glove Works	81¼c	Sept. 16	Aug. 31
Agnew Surpass, c.	20c	Sept. 2	Aug. 15
Do., bonus	20c	Sept. 2	Aug. 15
Do., pref.	$1.75	Oct. 1	Sept. 15
Anglo Can. Tel. c. A	12½c	Sept. 3	Aug. 15
Do., com. B	10c	Sept. 4	Aug. 15
Biltmore Hats	$1.75	Sept. 14	Aug. 15
T. G. Bright & Co. c.	7½c	Sept. 14	Aug. 31
Do., pfd.	$1.50	Sept. 14	Aug. 31
Bonded Corp. Ltd.	10c	Sept. 1	Aug. 27
Bk. of N. Scotia	$3	Oct. 1	Sept. 16
Borden, c.	40c.	Sept. 3	Aug. 15
Bruck Silk	30c	Oct. 15	Sept. 14
Bk. of Montreal	$2	Sept. 3	July 31
Bk. Can. Nat.	$2	Sept. 1	Aug. 15
Beld. Cort. pfd	$1.75	Sept. 14	Aug. 31
Bank of Toronto	$2.50	Sept. 3	Aug. 15
Bird-Archer	$2	Sept. 1	Aug. 8
Do. pref.	$4	Sept. 1	Aug. 8
Candn. Cottons	$1.50	Oct. 1	Sept. 13
Can. Bk. of Com.	$2	Sept. 1	July 31
Can. Indust. A & B	$1	Oct. 31	Sept. 30
Do., pref.	$1.75	Oct. 15	Sept. 30
Can. Malting	37½c	Sept. 14	Aug. 31
Can. Perm. Mtge.	$2	Oct. 1	Sept. 14
Cons. Bakeries	20c	Oct. 1	Sept. 19
Corrugated Pap. pf.	$1.75	Sept. 1	Aug. 16
Can. Hy.-El., 1st pf.	$1.50	Sep. 2	Aug. 1
Can. Vinegars	40c	Sept. 3	Aug. 15
Dominion Bank	$2.50	Oct. 1	Sept. 20
Dom. Scott Inv., pf.	25c	Sept. 1	Aug. 20
Dom. Textile c.	$1.25	Oct. 1	Sept. 16
Do., pfd.	$1.75	Oct. 15	Sept. 30
Falconbridge N. c.	7½c	Sept. 27	Sept. 12
Hollinger Gold	5c	Sept. 9	Aug. 23
Hudson Bay Mine	†50c	Aug. 31	Aug. 9
Int. Milling 1 pfd.	$1.75	Sept. 3	Aug. 21
Do., A pfd.	$1.50	Sept. 3	Aug. 21
Inter. Mining	15c	Sept. 20	Aug. 31
Int. Nickel, c.	20c	Sept. 30	Aug. 31
Loblaw A & B	25c	Sept. 3	Aug. 14
Laura Secord	75c	Aug. 31	Aug. 15
Lake Shore M.	50c	Sept. 16	Sept. 2
Do., extra	50c	Sept. 16	Sept. 2
Monarch Knit, pf.	$1.75	Oct. 1	Sept. 14
Montreal Loan	62½c	Sept. 16	Aug. 31
McColl-Fron., c.	20c	Sept. 14	Aug. 15
McIntyre Porc.	50c	Sept. 2	Aug. 1
McLennan, McFeeley & Prior, A	10c	Sept. 30	Sept. 23
Do., B	10c	Sept. 30	Sept. 23
Nat. Biscuit pf.	$1.75	Aug. 31	Aug. 15
Nat. Biscuit, c.	40c	Oct. 15	Sept. 13
Neon W. Can. c.	25c	Aug. 1	....
Do., pfd.	75c	Aug. 1	....
New Method Ldy.	$1.62½	Sept. 1	Aug. 21
Nova S. L. & P., pf.	$1.50	Sept. 3	Aug. 15
Ogilvie, pref.	$1.75	Sept. 3	Aug. 20
Photo Eng.	50c	Sept. 3	Aug. 15
Pressed Metals	12½c	Oct. 1	Sept. 16
Pioneer Gold	20c	Oct. 1	Sept. 3
Prov. Bank.	$1.50	Sept. 1	Aug. 15
Pwr. Corp. of C. pf.	$1.50	Oct. 15	Sept. 30
Do., 2nd pfd.	75c	Oct. 15	Sept. 30
Riverside Silk, A	25c	Oct. 1	Sept. 15
Do., on arrears	25c	Oct. 1	Sept. 15
Reliance Grain, p.	$1.62½	Sept. 14	Aug. 31
Reno Gold	3c	Oct. 1	Aug. 31
Rolland Paper, p.	$1.50	Sept. 2	Aug. 15
Royal Bank	$2	Sept. 3	July 31
South. C. Pwr. pf.	$1.50	Oct. 15	Sept. 20
Sylvanite G.	5c	Sept. 30	Aug. 24
Siscoe Gold	5c	Sept. 16	Aug. 31
Teck-Hughes c.	10c	Oct. 1	Sept. 10
United Grain Gr.	$1	Sept. 2	July 31
W. Kootenay Pr. pf.	$1.75	Oct. 1	Sept. 20
W.-Hargreaves c.	10c	Oct. 1	Sept. 10
H. Walker-G., pf.	25c	Sept. 14	Aug. 23

†Initial.

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Back of this service are the extensive records of The Financial Post—records going back over twenty-five years and covering thousands of Canadian companies and every type of industry, trade and business activity.

These records, together with a specialized staff, make it possible for us to offer superior service in making special investigations and in the compilation of specific reports.

Write us, giving particulars of the important business data, special reports, corporation studies, etc., that you need. We will submit an outline of what we can supply you with and what it will cost.

Special Investigation Department

The Financial Post Corporation Service
481 University Avenue,
Toronto

WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto and Curb Markets

WEEK ENDING AUGUST 26

Range 1935 High	Range 1935 Low	Divd. Rate in $	Y'ld in % Aug. 24		Sales	Close Aug. 19 (or last)	Week Ending Aug. 26 High	Low	Close
				A					
2.00	.55	.	...	Abitibi	1400	.85	.95	.80	.80
9½	3	.	...	Do. pref. 6%	600	5	4½	4½	4½
6½	3	.	...	Do. cert. dep.	390	4	4½	4	4½
5	5	.	...	Acadia Sugar	....	5	..	..	..
7	3	.	...	Acme Glove	36	3	4½	4½	4½
45	32	3.25	8.1	Do. pref.	....	40	..	..	..
9½	7½	40+20c	4.2	Agnew Surp.	....	9½	..	..	..
103½	96	7	6.4	Do. pref.	50	100½	100½	100½	100½
3½	1	.	...	Alta. Pac. Gr.	....	2	..	..	..
29	17½	.	...	Do. pref.	100	18	18	18	18
25	25	.	...	Aluminium	....	25	..	..	..
2	1½	.	...	Amal. Electric	....	2	..	..	..
18	15	.	...	Do. pref.	....	15	..	..	..
22½	16	.	...	Amer. Cyn. B.	....	22½	..	..	..
30⅜	25	.	...	Amer. Celanese	....	25	..	..	..
17½	6	.	...	Asbestos v. t.	1764	17½	18	17	17
13⅜	10½	1	...	Assoc. Brew.	355	12⅜	12⅜	12	12
110	104	7	6.4	Do. pref.	....	110	..	..	..
24½	3	.	..	Assoc. Can.	....	3	..	..	..
105	105	7	6.7	Atlan. Sugar, p	....	105	..	..	..
				B					
66½	52½	2.25	4.1	Bk. of Canada	292	53	53½	52½	53
132	126	8	6.2	Bk. Can. Nat.	....	128½	..	..	..
204	172	8	4.3	Bk. Montreal	171	184	185	182	182
305	258	12	4.5	Bk. N. Scotia	51	266	265	258	258
235	199	10	5	Bk. Toronto	81	201½	200	200	200
11	11	50c	...	Barcelona	....	11	..	..	..
8	4½	.	...	Bathurst Pr.	235	7½	7½	7	7
2.25	1.00	.	...	Do. (B)	90	2.00	2.00	2.00	2.00
3.00	.50	.	...	Bawlf Grain	....	1.00	..	..	..
40	20	.	...	Do. pref.	10	22½	22	22	22
3	3	.	...	Beath & Sons	....	3	..	..	..
15	8½	.	...	Beatty Bros. A.	165	9	9½	9	9½
95	85	6	6.3	Do. pref.	....	95	..	..	..
7½	2½	.	...	Beauharnois	1035	4½	4½	3½	3½
98⅜	85	4	4.2	Belding Cort.	....	96	..	..	..
120	116	7	5.7	Do. pref.	....	120	..	..	..
135⅜	118	6	4.5	Bell Telephone	444	131	132½	131	132½
18	13	1.50	...	Biltmore Hats	20	16	18	18	18
110	97½	7	6.4	Do. pref.	....	109	..	..	..
4	3½	.	...	Bissell, T. E.	....	4	..	..	..
30	25	.	...	Do. pref.	....	30	..	..	..
3½	2	.	...	Blue Ribbon	....	2	..	..	..
29	19	2	9	Do. pref.	....	24	..	..	..
30	27½	2	6.6	Brant. Cord. pf.	....	30	..	..	..
10⅜	7½	.	...	Brazilian Tr.	9045	8	7⅜	7½	7⅜
1.10	.50	.	...	Brew. & Distil.	1805	.90	.90	.75	.85
4½	2½	.	...	Brewing Corp.	2554	2½	3	2½	2⅜
22⅜	15⅜	1.50	9.8	Do. pref.	1549	17⅜	17⅜	15⅜	16½
14	11	30c	2.7	Bright, T. G.	....	11	..	..	..
77½	75	6	8	Do. pref.	....	72	..	..	..
16⅜	13⅜	80c	4.9	Brit. Amer. Oil	3904	16½	16½	15½	15½
1.75	.55	.	...	B. C. Packers	55	.75	.75	.75	.75
18	13	.	...	Do. pref.	275	13	15	14	14
30½	21	1.50	6.5	B. C. Power A.	655	24	24	23½	23½
5	2	.	...	Do. (B)	587	4	3⅜	3½	3⅜
17⅜	14⅜	1.20	7.2	Bruck S. Mills	296	16½	16⅜	16½	16½
34½	26⅜	1	3.3	Building Prod.	130	30	34½	29⅜	29⅜
35	29⅜	2	5.8	Burt, F. N.	419	34	34½	34½	34½
				C					
84⅜	82½	6	7.3	Calgary Pr.	....	82½	..	..	..
5½	2	.	...	Canada Bread	515	4	3½	3½	3½
80	63	.	...	Do. pref. A	....	80	..	..	..
30	17	.	...	Do. pref. (B)	105	27	30	28	29
9	5½	.	...	Canada Bud	1050	6½	6½	6½	6½
8½	5⅞	.	...	Canada Cement	613	6⅜	6½	6	6⅜
64½	51			Do. pref.	521	57½	57	54	55
60½	55	1.50	2.7	Can. & D Sugar	25	57⅜	55	55	55
b16⅜	8½	40c	3.9	Canada Dry	5200	10⅜	10⅜	9⅜	9⅜
7	2	.	...	Can. Forg. (A)	....	2	..	..	..
1½	1½	.	...	Do. (B)	....	1½	..	..	..
35	18	.	...	Canada Iron	....	30	..	..	..
55	50	3	5.9	Do. pref.	....	51	..	..	..
450	450	20	4.4	Canada Life	....	450	..	..	..
35	29	1.50	4.4	Can. Malting	802	34	34	32½	32½
22½	17½	1	4.8	Can. Nor. Pr.	295	21⅜	21⅜	20½	20½
107	98½	7	6.7	Do. pref.	15	104	103	103	103
58	50	75c	...	Can. Packers	65	58	58	57	57
115	110	7	6.2	Do. pref.	....	113	..	..	..
75	60	.	...	Can. Paper, pf.	....	65	..	..	..
.05	.05	.	...	Can. Paving	....	.05	..	..	..
3⅜	2	.	...	Do. pref.	....	3	..	..	..
150	125	8	6.1	Can. Perman.	6	126½	130	127½	130
2⅜	1	.	...	Can. Steamsh's.	10	1½	1⅜	1⅜	1⅜
11⅜	6	.	...	Do. pref.	262	8½	8½	6⅞	6⅞
29	25	1.60	5.7	Can. Vinegars	75	28	27⅜	27½	27½
20	19½	.	...	Can. W. Cable	....	20	..	..	..
8	4½	.	...	Do. (B)	5	6	4½	4½	4½
1	1	.	...	Can. Bakeries	....	1	..	..	..
20	13	.	...	Do. pref.	....	15	..	..	..
169½	140	8	5.7	Can. Bk. Com.	236	141½	142	139	140
31½	26	60c	1.9	Can. Bronze	335	31½	31½	31	31
115	110	7	6.1	Do. pref.	5	110	114	114	114
6⅜	3½	.	...	Can. Canners	95	4½	3½	3½	3½
94	75	6	7.6	Do. 1st pfd.	45	80	80	78	78
9⅜	5	30c	6	Do. 2nd pfd.	530	5½	5½	4⅞	4⅞
8⅜	6½	.	...	Can. Car & Fd'y	2070	7⅜	7½	6⅜	6⅜
17	12	.	...	Do. pref.	785	13½	14½	13	13
24½	18½	.	...	Can. Celanese	555	22½	22½	21	21
120	100	7	5.8	Do. pref.	87	118	119	118½	118½
20½	18	.	...	Do. Rights	50	19½	19½	19	19½
32	29	2	6.9	Can. Convert.	....	29	..	..	..
66	40	4	10	Can. Cottons	25	45	40	40	40
105	95	6	6.3	Do. pref.	....	95	..	..	..
30	19½	75c	...	Can. Dredge	1385	29	29	28½	29
106	106	7	6.6	Do. pref.	....	106	..	..	..
85	85	6	7	Can. Fairb. pf.	....	85	..	..	..
30	18	1.60	7.8	Can. For. Inv.	25	20	19	19	19
107½	103	8	7.6	Do. pref.	....	105	..	..	..
159½	150	3	2	Can. Gen. Elec.	....	150	..	..	..
64½	58½	3.50	5.8	Do. pref.	135	60	60½	60	60
82½	37	6	11.3	Can. Hyd. El. p	504	54⅜	54	51	51½
10⅜	6½	.	...	Can. Ind. Alc.	2890	8½	8⅜	8	8
9⅜	6	.	...	Do. (B)	1525	7½	7½	7	7
198½	178½	4	2.1	Can. Indust. B.	....	193	..	..	..
160	148	7	4.5	Do. pref.	....	155⅜	..	..	..
†5.00	3.95 †	.	...	Can. Int. I. Tr.	....	..	..	..	..
25	20	.	...	Do. pref.	....	25	..	..	..
30	21½	1	4	Can. Lt. & Pr.	....	25½	..	..	..
4	2	.	...	Can. Locomo.	....	3	..	..	..
b2⅜	1	.	...	Can. Marconi	1500	2	1⅜	1⅜	1⅜
15	11	50c	3.9	Canadian Oil	89	13	13	12½	12½
127	113	8	6.4	Do. pref.	....	123	..	..	..
13⅜	9½	.	...	Can. Pacific	3855	10½	11½	10⅜	10⅜
.15	.10	.	...	C. Pr. & Pa Inv	25	.10	.10	.10	.10
4½	3½	.	...	Do. pref.	....	3½	..	..	..
1.50	1.00	.	...	Can. Vickers	205	1.00	1.25	1.25	1.25
16	6½	.	...	Do. pref.	10	6½	10	10	10
6	4⅜	20c	4.4	Can. Wineries	85	4½	4½	4½	4½
17½	15	25c▲	...	Can. Wire Box.	135	17	17	17	17
17	9	.	...	Catelli Mac (A)	....	15	..	..	..
2½	1½	.	...	Do. (B)	10	2	2⅜	2⅜	2⅜
‡245	245	8	...	Cent. Can. L'n.	....	..	..	..	..
7⅜	6⅜	60c	8.8	Champ. Oil, pf.	380	6⅜	6⅞	6⅜	6⅜
2.35	.90	.	...	Chem. Research	....	1.05	..	..	..
2½	1½	.	...	City Gas & Elec	40	2	1⅜	1⅜	1⅜
.30	.20	.	...	Claude Neon	20	.25	.20	.20	.20
9⅜	6	.	...	Cockshutt Plow	1707	8½	8½	7⅜	8
.90	.45	.	...	Comm. Alcohol	....	.50	..	..	..
1.00	.80	.	...	Conduits	....	.80	..	..	..
61	48		...	Do. pref.	....	55	..	..	..
17	11½	20c	...	Con. Bakeries	455	15½	15	14⅜	14⅜
2.12	.70	.	...	Cons. Paper	2148	1.00	1.05	1.00	1.00
6	5	.	...	Cons. Press	15	5	5½	5½	5½
26½	25	.	...	Cons. Sand. pf.	58	25	25	25	25
184⅜	125½	1.25	...	Cons. Smelters	2793	169	174	164	170
193	184	10	5.2	Consumers' Gas	120	192	190½	190	190
90	30	1.75▲	...	Corr. P. Box p.	....	82	..	..	..
7	5	.	...	Cosgrave Brew.	....	7	..	..	..
19½	14⅞	17½c	..	Cosmos Imp.	195	18⅜	20	18⅜	19
108	102⅜	7	6.5	Do. pref.	10	106½	106½	106½	106½
2½	1½	.	...	Crown Dom. Oil	....	2	..	..	..
28⅜	25	4	...	Crow's N. Coal	....	28½	..	..	..
				D					
1	1	.	...	David & Fre. B.	....	1	..	..	..
4	2	.	...	Do. (A)	....	2½	..	..	..
2⅜	1½	.	...	De Havilland	25	1½	1½	1½	1½
‡30	20	.	...	Do. pref.	....	20	..	..	..
†9	5	.	...	Disher Steel	....	..	..	..	..
6½	6½	.	...	Do. pref.	....	6½	..	..	..
25⅜	13½	.	...	Distill-Seagram	6470	24½	25½	23⅜	25
201½	162	10	6	Dom. Bank	32	165	165	166	166
34	24½	1.20	4.3	Dom. Bridge	1026	29⅜	29⅜	28⅜	28⅜
18⅜	14⅜	75c	...	Dom. Coal	1190	16	16½	14⅜	16
23	17	.	...	Dom. Engineer.	....	18	..	..	..
120	110	5	4.5	Dom. Glass	29	113½	113	110	110
145	138½	7	5	Do. pref.	....	140	..	..	..
.10	.10	.	...	Dom. Motors	....	.10	..	..	..
36	32	.	...	Dom. Oilcloth	10	36	35½	35½	35½
1	1	.	...	Dom. Pr. Stubs	....	1	..	..	..
85	80	7	8.2	Dom. Rubber, p.	....	85	..	..	..
6	3½	.	...	Dom. St. & C.B.	1954	5½	5½	5	5½
12½	6⅜	.	...	Dom. Stores	524	8⅜	8⅜	8½	8½
7⅜	3½	.	...	Dom. Tar & Ch.	90	4⅞	4½	4½	4½
72	42	.	...	Do. pref.	110	61½	60	57½	59
82½	63	5	7.3	Dom. Textile	322	69	69	66½	66½
146½	130	7	5	Do. pref.	50	139	140	138	138
4½	2½	.	...	Donnacona P. A	....	2½	..	..	..
1.10	1.00	.	...	Do. (B)	10	1.00	2.00	2.00	2.00
5⅜	3	.	...	Dryden Paper	144	4	4	3½	3⅜
4½	2	.	...	Duff. Paving	....	2	..	..	..
40	20	.	...	Do. pref.	5	25	25	25	25
				E					
3	2	.	...	East. Dairies	....	2	..	..	..
2½	1	.	...	East. Koot. Pr.	....	1	..	..	..
14	14	.	...	Do. pref.	....	14	..	..	..
10	5	.	...	East. Steel	....	7	..	..	..
90½	80	7	8.2	Do. pref.	5	80	85	85	85
8	8	.	...	East. Theatres	....	8	..	..	..
75	58½	7	10	Do. pref.	....	70	..	..	..
3½	1	.	...	Easy Washer	10	1⅜	1⅜	1⅜	1⅜
20	14½	43⅜c	...	Economic Inv.	....	15	..	..	..
†15	15	.	...	Edmonton D'y	....	..	..	..	..
†80	78⅜	6.50	...	Do. pref.	....	..	..	..	..
1	1	.	...	Enamel & Heat.	....	1	..	..	..
12½	7	.	...	Eng. Electric	40	9½	9½	9½	9½
6⅜	3	.	...	Do. (B)	143	4½	5	4½	5
9	8	.	...	European El. A.	....	8	..	..	..
				F					
16½	10	50c	...	Fam. Players	....	14½	..	..	..
17	14	.	...	Do. Vot. Tr.	....	17	..	..	..
9⅜	7⅜	50c	5.4	Fanny Farmer	2035	9½	9½	9½	9⅜
32½	23½	50c	...	Ford Motors A.	3964	27½	27⅜	26½	26½
2.25	.75	.	...	For. Pr. Secs.	25	.75	.75	.75	.75
13⅜	11	.	...	Foundation Co.	85	13½	13½	13	13½
5	2½	.	...	Fraser Cos.	615	5	5	4½	4½
5	1⅜	.	...	Do. Vot. Tr.	1110	2⅜	5	4	4⅜
61	54	6	10.9	Freiman, pf.	....	55	..	..	..
4	2	.	...	Frost Steel	5	3½	3	3	3
78	68	7	9.3	Do. pref.	....	75	..	..	..
				G					
5½	3	.	...	Gen. St. Wares	200	4	3⅜	3½	3⅜
85	37	.	...	Do. pref.	135	42½	43	41½	41½
72½	65	.	...	Goodyear Tire	80	68	65	65	65
54½	51½	.	...	Do. pref.	427	53½	54	52½	53½
1½	1	.	...	Gt. W. Saddlery	....	1½	..	..	..
20	16	.	...	Do. pref.	....	16	..	..	..
6⅜	4½	.	...	Gurd, Chas.	150	5½	5½	5	5
‡100½	100	7	...	Do. pref.	....	..	..	..	..
7⅜	4½	.	...	Gypsum, Lime.	725	5½	5⅜	5⅜	5⅜
				H					
5½	3	.	...	Ham. Bridge	65	3⅜	3⅜	3½	3⅜
33	18	.	...	Do. pref.	4	24	20	19	19
30½	24	50c	...	Ham. Cot., pf.	....	24	..	..	..
2½	1	.	...	Ham. U. Theat.	....	1	..	..	..
60	50	1	...	Do. pref.	30	52	52	52	52
3½	2½	.	...	Harding Carpet	100	3	3	3	3
12	10	12½c	..	Hinde & Dauch	140	11	11	10⅜	10⅜
6	5½	.	...	Holt Renfrew	....	6	..	..	..
30	30	.	...	Do. pref.	....	30	..	..	..
.60	.15	.	...	Honey Dew	....	.35	..	..	..
8	6	.	...	Do. pref.	....	7	..	..	..
13	9	.	...	H. Smith Pap.	120	10	10	9½	9½
95½	84	.	...	Do. pref.	60	91	91	91	91
32½	28	2	6.2	Humberstone S.	5	32	31½	31½	31½
11	6	.	...	Hunts (A)	....	7½	..	..	..
11	7	.	...	Do. (B)	....	7	..	..	..
103	90	6	6.4	Huron & E. Mt.	....	93½	..	..	..
17½	15	.	...	Do. 20% pd.	....	15½	..	..	..
3½	3	.	...	Hydro Electric	....	3½	..	..	..
				I					
208½	178	10	5.5	Imperial Bank	37	181	180	179	179
22½	15⅜	50+37½c	4.3	Imperial Oil	2371	19⅜	20½	19⅜	19⅜
14½	12	52½c	3.8	Imperial Tob.	1685	14	14	13½	14
17	17	1	...	Inter City Bak.	....	17	..	..	..
42	25	3	...	Inter'c Coal	....	17	..	..	..
100	100	8	8	Do. pref.	....	100	..	..	..
b4½	1½	.	...	Int. Hyd. E. A.	16700	4	4⅜	3	3½
6	3½	.	...	Int. Metal Ind.	225	5	4⅜	3⅞	3⅞
45	30	.	...	Do. pref.	25	34	30	30	30
114	105	7	6.3	Inter. Mill., pf.	165	112	110½	110	110
107	102½	6	5.6	Do. Series A.	5	103½	107	107	107
29½	22½	80c	2.8	Inter. Nickel	18229	28⅜	29½	28½	28⅞
4½	2	.	...	Inter. Paints	....	2½	..	..	..
19	19	.	...	Do. pref.	....	19	..	..	..
b3	1½	.	...	Int. Pa. & P. A.	1800	2⅜	2½	2½	2½
b1½	⅜	.	...	Do. (B)	1500	1⅜	1½	1½	1½
b1½	⅜	.	...	Do. (C)	10200	1	1½	1	1
b12⅜	4½	.	...	Do. pref.	6900	11⅜	11⅜	10	10
39½	28½	1.50+50c	5.5	Inter. Pete.	14582	36½	36⅜	35½	35½
6	1	.	...	Inter. Power	20	2	3	2	2
64	40	1	...	Do. pref.	80	47½	47	45	45
13⅜	12½	.	...	Inter. St. Rly. A	....	13⅜	..	..	..
2	2	.	...	Do. (B)	....	2	..	..	..
4	1½	.	...	Inter. Util. (A)	520	4½	4½	4	4
.85	.25	.	...	Do. (B)	560	.80	.80	.50	.50
				J					
22	22	1	4.5	Jam. Pub. Ser.	....	22	..	..	..
120	115	7	5.8	Do. pref.	....	120	..	..	..
				K					
8⅜	6½	.	...	Kelvinator	25	7	7½	7½	7½
106	102	7	6.6	Do. pref.	10	105½	104½	104½	104½
				L					
13½	7	.	...	Lake of Woods	60	9	9	9	9
101	81	.	...	Do. pref.	15	84	81½	81½	81½
75	60	5	8.3	Landed Bank.	....	60	..	..	..
4	3½	.	...	Langley's	....	3½	..	..	..
80	60	7	10.8	Do. pref.	....	65	..	..	..
63	60	3	4.8	Laura Secord	25	60½	62	61	61
5	2½	.	...	Lindsay, C. W.	....	5	..	..	..
40½	39	.	...	Do. pref.	....	40	..	..	..
19½	17⅜	1	5.4	Loblaw (A)	1222	18½	18⅜	18	18
18½	16⅜	1	5.8	Do. (B)	157	17	17	16⅜	17
7½	7½	.	...	Louisiana Land	....	7½	..	..	..
				M					
3½	3½	.	...	MacKin. Steel	....	3½	..	..	..
†95	90	.	...	Do. pref.	....	..	..	..	..
2½	2½	.	...	Manitoba Pr.	....	2½	..	..	..
.80	.50	.	...	M. L. Gard.	....	.50	..	..	..
4	3½	.	...	Do. pref.	10	4	4	4	4
1.30	.50	.	...	Maple Leaf	....	.60	..	..	..
5	1	.	...	Do. pref.	....	1½	..	..	..
12	12	60c	...	Maritime Tel.	....	12	..	..	..
15	14½	70c	...	Do. pref.	....	14½	..	..	..
20	14			Marcus Loew's.	....	17	..	..	..
115	108½	7	6.2	Do. pref.	....	112	..	..	..
5⅜	3½	.	...	Massey-Harris	3074	5	5	4⅜	4⅜
29	18⅜	.	...	Do. pref.	55	29	28½	27	27
15⅜	12½	80c	6	McColl Fron.	1589	13½	13⅜	12⅜	12⅜
100⅜	94	6	6.2	Do. pref.	169	95⅜	96½	95½	96
11½	7	.	...	Melchers (A)	420	8⅜	8⅜	8½	8⅜
4	2½	.	...	Do. (B)	20	2⅜	2⅜	2⅜	2⅜
10	8½	.	...	Mercury Mills pf	....	10	..	..	..
27	20	1	...	Mitchell, J. S.	....	25	..	..	..
101	101	7	6.9	Do. pref.	....	101	..	..	..
5½	3½	.	...	Mitchell, Robt.	40	4	4	3⅜	4
5	5	.	...	Monarch Knit.	10	5	5	5	5
90	71½	7	7.8	Do. pref.	....	90	..	..	..
25	20			Montreal Cot.	25	23	23	23	23
97	73	7	8.9	Do. pref.	20	79	78	78	78
‡½	½	.	...	Montreal Exhib.	....	..	..	..	..
‡4	3⅜	.	...	Mont. Is. Pr.	15	4	1	1	1
34½	26½	1.50	4.5	Mont. L. & Pr.	9561	33½	33½	32½	33
32	32	2.50	7.8	Montreal Loan	72	32	32	32	32
9	6⅜	.	...	Mtl. Ref. & S.P.	....	9	..	..	..
2	1½	.	...	Do. Vot. Tr.	....	2	..	..	..
58	54½	3.20	5.5	Montreal Tele.	28	58	58	58	58
99	80	9	9.4	Montreal Trams	51	96½	96½	95	95
24	17½	50c	...	Moore Corp.	320	24	23½	23½	23½
143	118½	7	4.9	Do. pref. (A)	45	141	141	140	140
166	135	7	4.2	Do. pref. (B)	20	165	165	165	165
1.10	.25	.	...	Muirheads	15	.60	.60	.60	.60
6	6	.	...	Do. pref.	....	6	..	..	..
				N					
37½	31	1.60	4.4	Nat. Breweries	2536	37½	37½	36⅜	36⅜
42	38	1.75	4.2	Do. pref.	495	41½	41½	40	41
6½	4½	.	...	Nat. Grocers	780	5½	5½	5½	5½
130	121	7	5.4	Do. pref.	....	130	..	..	..
22	16	.	...	N. Sew. Pipe A	150	16½	16	16	16
18½	14	.	...	Nat. Steel Car.	137	16⅜	17	15⅜	15⅜
204	175	8	4	National Tr.	57	200	200½	200½	200½
20	15	1	...	Niag. W. Weav.	80	19⅜	20	20	20
52	45½	3	5.9	Do. pref.	150	51	51	51	51
1.90	.70	.	...	North Star Oil.	5	1.15	1.15	1.15	1.15
4.00	1.50	.	...	Do. pref.	230	3.20	3.00	3.00	3.00
				O					
190	140	8	4.8	Ogilvie Flour	30	162	165	162	165
152	130	7	4.8	Do. pref.	....	140	..	..	..
8½	5½	.	...	Ont. Eq. 10% pd	120	7	7	7	7
115	107½	6	5.2	Ontario Loan	....	110½	..	..	..
13⅜	8	.	...	Ont. Silknit	3	12½	13½	13½	13½
98	75	1.75	...	Do. pref.	20	97	95	93	93
6½	5½	.	...	Ont. Steel	....	5½	..	..	..
.35	.15	.	...	Orange Crush	....	.30	..	..	..
17	6	.	...	Do. 1st pref.	....	15	..	..	..
.55	.20	.	...	Do. 2nd pref.	....	.50	..	..	..
‡5	5	.	...	Ottawa Car	....	..	..	..	..
85	75	6	8	Ott. L. H. & Pr.	53	77	77½	75	75
107	100	6.50	6.1	Do. pref.	135	105	105	105	105
22	14	50c	...	Ott. Traction	....	20½	..	..	..
				P					
88	78	3	3.8	Page Hersey	290	80	79⅜	77	77
‡30	24	.	...	Paton Mfg.	....	24	..	..	..
97	94	7	7.2	Do. pref.	....	97	..	..	..
63½	45½	3	6.5	Penmans	10	45½	45½	45½	45½
115	106½	6	5.2	Do. pref.	....	114	..	..	..
24½	20½	1	4.5	Photo Eng.	50	22½	22½	22½	22½
91	70	7	8.2	Porto Rico Pr. p	....	85	..	..	..
10½	6½	.	...	Power Corp.	763	9	9	8	8½
94	80	6	6.6	Do. pref.	....	90	..	..	..
2.50	.80	.	...	Prairie C. Oil.	20	2.00	1.25	1.25	1.25
15	8	12½c	..	Pressed Metals	201	11	11	10	10
3.87	1.50	.	...	Price Bros.	550	2.25	2.15	2.00	2.00
33⅜	15	.	...	Do. pref.	45	21	21	20⅞	20⅞
				Q					
17½	13⅜	1	6.8	Quebec Power	207	15	14½	14½	14½
				R					
58	40	2	5	Real Estate L'n.	....	40	..	..	..
7	4½	.	...	Regent Knit.	140	5	5½	5½	5½
3½	3½	.	...	Reliance Grain.	....	31½	..	..	..
30	27	1	3.3	River. S. Mills	41	29⅜	29½	29½	29½
9	5⅜	.	...	Rogers Majest.	65	6⅜	6⅜	6½	6½
92	83	6	...	Rolland P., pf.	....	86	..	..	..
173½	143	8	5.5	Royal Bank	172	145½	145½	143⅜	145
30	20	.	...	Russell Motor	....	30	..	..	..
96	70	6	6.9	Do. pref.	....	96	..	..	..
				S					
3½	2	.	...	Sarnia Br. (A)	....	3½	..	..	..
‡1⅜	1⅜	.	...	Do. (B)	....	..	..	..	..
20	14½	50c	2.7	Shawinigan	3735	18⅞	19	18⅜	18⅜
17	11½	.	...	Sher. Wms.	280	12½	12½	11½	11½
110	100	1.75▲	..	Do. pref.	45	105	105	105	105
14	9⅜	.	...	Simon & Son	155	12	11	11	11
109½	90	.	...	Do. pref.	5	90	91	91	91
90	62	3	...	Simpson, Ltd.	35	69	69	68½	69
12	9	.	...	Do. (A)	....	10	..	..	..
8	5	.	...	Do. (B)	20	8	8	8	8
109	103	6	5.5	Simpson, R., pf.	18	107⅜	109	108	108
14½	9½	80c	6.5	So. Can. Pr.	305	12½	12⅞	12⅜	12⅜
100	82	6	6.6	Do. pref.	37	90	90½	90	90
1.90	.60	.	...	St. Law. Corp.	515	1.00	1.15	1.10	1.15
8⅜	3	.	...	Do. (A)	336	6	6	5⅜	6
39½	33	2	6	St. Law. Flour.	25	34	33	33	33
125	113	7	6.2	Do. pref.	....	113	..	..	..
16½	8½	.	...	St. Law. Pap. p	342	11	11½	11	11⅜
7	4	.	...	Stand. Chem.	....	4	..	..	..
1.75	.70	.	...	St. Pav. & Mat.	235	1.30	1.10	1.05	1.05
15	9	.	...	Do. pref.	....	13	..	..	..
25	20	.	...	Stand. Steel, pf.	....	25	..	..	..
50½	42½	1.75	3.5	Steel of Can.	1084	50	50½	49⅜	49⅜
48½	41	1.75	3.7	Do. pref.	162	48	48½	46½	46½
4	2½	.	...	Sterling Coal	93	2½	2	2	2
4⅜	4⅜	.	...	Stop & Shop	....	4⅜	..	..	..
3	2½	.	...	Supersilk, H.	....	2½	..	..	..
70	58½	3.50	5.2	Do. pref.	....	68	..	..	..
29	21½	1	3.5	Sup. Pete. ord.	1023	26½	28	26½	27
27	23	1	3.9	Do. com.	....	25½	..	..	..
115	110	7	6.4	Do. pref.	....	110	..	..	..
				T					
30	23	.	...	Tamblyn	....	24	..	..	..
114	110	7	6.2	Do. pref.	....	112½	..	..	..
6	2½	.	...	Thayers	....	2½	..	..	..
41	33	3.50	10.6	Do. pref.	10	35	33	33	33
2.00	1.00	.	...	Thrift Stores	....	2.00	..	..	..
13	5	.	...	Do. pref.	10	8	8	8	8
12⅜	7	.	...	Tip Top Tailors	60	9½	9½	9½	9½
98½	90	7	7.3	Do. pref.	5	95	95	95	95
†22	10	.	...	Tooke Bros.	....	..	..	..	..
15	15	.	...	Do. pref.	....	15	..	..	..
42	33	1	2.6	Tor. Elevators	....	38½	..	..	..
129½	108	7	5.9	Do. pref.	16	117	117	117	117
125	98½	6	5.8	Tor. Gen. Tr.	7	103	103	103	103
121	110	6	5.2	Toronto Mtge.	....	115	..	..	..
.15	.10	.	...	Traymore	....	.10	..	..	..
.90	.50	.	...	Do. pref.	....	.50	..	..	..
145	133½	7	4.8	Tuckett Tob. p.	15	143	145	145	145
4½	3	.	...	Twin City	....	3	..	..	..
b27½	18½	.	...	Do. pref.	....	23	..	..	..
				U					
6	3½	.	...	Union Gas	906	5½	5½	5⅜	5⅜
1.40	.50	.	...	United Distill.	....	.80	..	..	..
‡3	3	.	...	United Fuel	....	..	..	..	..
29	15½	.	...	Do. pref.	225	21	20½	20	20
9	9	.	...	Un. Amuse. A.	....	9	..	..	..
‡7½	7½	.	...	Do. (B)	....	..	..	..	..
30	24	2	8	United Secs.	....	25	..	..	..
5	2	.	...	United Steel	330	3	3	2½	2½

Active Corporation Bonds

August 27, 1935

Public Utility Issues:	Int. Rate	Due	Bid	Asked	Bid Aug. 20
‡Avalon Telephone	5½%	1948	100	...	100
Beauharnois L. H. & Pwr.	5½%	1973	91	93	94
Beauharnois Power Corp.	5%	1973	35½	37½	40½
*Bell Telephone	5%	1955	114	116	114
*Bell Telephone	5%	1957	116½	118½	117
†B. C. Power	5%	1960	98	101	98½
†B. C. Power	5½%	1960	102	104	101½
†B. C. Telephone	5%	1960	103½	105½	103½
†Calgary Power	5%	1960	...	100	100½
Calgary Power	5%	1964	...	98	98½
†Canada Northern Power	5%	1953	100	102	100½
†Cedars Rapids Mfg. & Pwr.	5%	1953	111	113	111
Dominion Gas & Electric	6½%	1945	77½	80½	82½
§Duke-Price Power	6%	1966	101½	104½	103½
*Gatineau Power	5%	1956	85½	88	88½
*Gatineau Power	6%A	1941	73½	76½	77½
*Gatineau Power	6%B	1941	73	73	76½
*Internat'l Hydro-Electric	6%	1944	46	48½	51
†Maclaren-Quebec Power	5½%	1961	66	69	70½
Maclaren-Quebec Power	5½%	1964	65	68	70
*Manitoba Power	5½%	1951	56	59	54½
†Montreal Island Power	5½%	1957	102½	105	103½
†Montreal L. H. & Pwr.	5%	1951	105½	107½	106½
†Montreal L. H. & Pwr.	5%	1970	105½	...	107
†Montreal Public Service	5%	1942	105	...	105½
†Montreal Tramways	5%	1955	83	86	84½
†Montreal Tramways	4½%	1955	78	81	79½
†Montreal Tramways	5%	1941	100	102½	100½
National Light & Power	6%	1949	93	96	93
†N. S. Light & Power	5%	1958	103	105	103
†Ottawa Lt., Heat & Pwr.	5%	1957	104	106	104
†Ottawa Valley Power	5½%	1970	93	95	94½
†Power Corp.	4½%	1959	85½	88½	87
†Provincial Light & Pwr.	5%	1946	105	...	105
*Quebec Power	5%	1968	104	106	104
†Shawinigan Water & Pwr.	4½%	1970	99	101	99½
†Shawinigan Water & Pwr.	5%	1970	102½	105½	104½
†Southern Canada Power	5%	1955	104½	...	104½
†United Securities	5½%	1952	79	82	81½
†West Kootenay Power	5%	1956	105	107	105½
†Western Power Co.	5%	1949	104	106	104½
*Winnipeg Electric	5%	1935	98	100	98
*Winnipeg Electric	6%	1954	58½	61½	57½
Industrial and Realty Issues:					
Abitibi Pwr. & Paper	5%	1953	28	30	30
†Acadia Sugar	6%	1946	104	106	104
†Alberta Pacific Grain	6%	1946	88	91	89
‡Asbestos Corp.	5%	1942	79	82	79
Brandram-Henderson	6%	1936	98	...	98
British American Oil	5%	1945	105	107	105
British American Oil	4%	1945	101	102½	101
Burns & Co.	5½%	1948	54	58	56
Canada Bread	6%	1941	106	109	106
†Canada Cement	5½%	1947	103	105	103½
†Canada Paper	6%	1945	100½	...	100½
‡Canada Steamship	5%	1943	100	...	100
Canada Steamship	6%	1941	41½	43½	42
†Canadian Canners	6%	1950	104½	106½	105
Canadian Cons. Felt	6%	1940	100	...	100
*Canadian Internat'l Paper	6%	1949	67	70	67
C. P. R.	6%	1942	107½	109½	107
C. P. R.	4½%	1944	95½	98	97
*C. P. R.	5%	1954	104	106	104½
C. P. R.	4%	1949	94	96	95
▲C. P. R. Perp. Debs.	4%	....	86½	88½	87½
†Canadian Vickers	6%	1947	72	75	73
Consolidated Paper	5½%	1961	15	17	16
Debenture & Security	4%	1936	90	...	90
†Dominion Canners	6%	1940	108	110	109
†Dominion Tar	6%	1949	99	101	99
Dom. Wool. & W. (with stock)	6%	1948	13	...	13
†Eastern Dairies	6%	1949	89	92	89
Eaton T. Realty	5%	1949	100½	103	101
†Famous Players	6%	1948	101½	104½	102½
†Famous Players	6½%	1948	93	96	94½
†Federal Grain	6%	1949	91½	94½	92½
Fraser Cos. (unstamped)	6%	1950	56½	59½	54
Fraser Cos. (stamped)	6%	1950	50	...	49
†General Steel Wares	6%	1952	92½	95	95
Great Lakes Paper	6%	1950	38½	41	43
†Gypsum, Lime & Alabast.	5½%	1948	87	89½	89
Hamilton Cottons	5½%	1948	00	103	101½
*Hamilton By-Prod. Coke	7%	1943	102½	105	103
*Hinde & Dauch	5½%	1948	102	104	102
†Internat'l. P. & P., Nfld.	5%	1968	99	101	100
Inter City Baking	5½%	1948	99	102	...
Inter-City West Bakeries	6½%	1950	23	26	...
Lake St. John Pwr. & Pap.	6½%	1947	62	65	62½
†London Can. Invest.	4½%	1948	80½	83½	80½
London Realty	6%	1950	88	91	88
†Massey-Harris	5%	1947	86	89	87
McColl-Frontenac	6%	1949	105	106½	105
†Mercury Mills	5½%	1953	35	40	40
Metropolitan Building	7%	1944	101	...	101
Minn. & Ont. Paper	6%	1945	15	17	16½
*Montreal Coke	5½%	1947	102½	...	103
‡Montreal Cottons	5%	1947	99	...	99½
National Grocers	6%	1948	104½	106½	105
Northern Ont. Bldg.	6½%	1939	95	98	95
†Penmans	5½%	1951	110	113	110
*Provincial Paper	5½%	1947	101	104	101½
Queen's Hotel	6%	1947	84	87	82½
*Reliance Grain	6%	1948	99	101	99½
Richmond Bay Bldg.	6½%	1947	93	96	93
‡Riordon Pulp & Paper	6%	1942	104	...	104
†Rolland Paper	5½%	1948	103	...	103
Ruddy & Co., E. L.	6½%	1948	88	92	89
St. Lawrence Flour	6%	1941	103	...	103
†Simpsons Ltd.	6%	1949	104	106	103½
†Simpsons Ltd.	5½%	1949	99	102	99
†Smith, Howard	5½%	1953	103	105	103½
‡Steel Co. of Canada	6%	1940	111½	113½	111½
Stop & Shop	6%	1947	54	58	57½
Toronto Carpet	6%	1944	102	...	102
United Amusement	6%	1942	98	...	98
United Grain Growers	5%	1948	93½	96	93
United Grain Growers	5½%	1949	95½	98½	97
‡Wabasso Cotton	6%	1947	102	...	102
Wabasso Cotton	7%	1942	104½	...	104½
Western Grain	6%	1949	69	72	73
Woods Mfg.	6%	1943	101	...	101
Zimmerknit Mfg. Co.	6%	1951	99½	101½	99½

§Payable in U. S. only. *Payable in Can. or U. S. ‡Payable in Canada or U. K. †Payable in Can., U. S., or U. K. ▲Payable in N. Y.

Unlisted Mining Stocks

August 27, 1935

	Bid	Asked
Ascot	.27	.29
Arntfield Gold	.75	.80
Arntfield Synd.	..	.95
Adanac	.06	.08
Ardeen	.08½	.09½
Athona (Gt. B. L.)	.71	.75
Athabaska Portals	.18	.20
Bailor	.01	.02
Bidgood Kirk.	.05	.07
Bankfield Gold	.45	.47
Bathurst	.01	.02
Bosquet Gold	.08	.10
Can. Pandora	.04	.05
Can. Radium	.45	.48
Casey Summit	.07	.09
Canusa Mining	.04½	.05½
Casey Contact	.06	.07
Central Porc.	.20	.23
Cons. Chib. Free	.53	.55
Cons. Chib. Pool	..	.50
Columario Cons.	.01	.02
Dorval Siscoe	...	4.00
Dunlop Cons.	.00½	.001
El Bonanza	.16	.18
Forty-Four Gold	5.50	6.25
Glenora Gold	.06	.08
Galatea	.05	.06
Goldside	.05	.06
Gold Eagle	.30	.32
Greenlaw	.05	.06
Hardrock	.42	.44
Hardrock Units	..	47.00
Hislop Gold	.04	.06
Horseshoe	.02	.03

	Bid	Asked
Hudson Patricia	.06	.08
Jellicoe	.03½	.04½
Johnson Nip.	.01	.02
Kirk. Gold Belt	.10	.12
Lafayette L. Lac	.04	.05
La Palme	.20	.22
Long Lac Lagoon	..	.05
Lamaque Gold	2.10	2.15
MacFarlane	..	.02
MacL. Cockshutt	.03½	.04½
Magnet Lake	.04½	.05½
Matachewan Can.	.10	.12
McCarthy Webb	.06	.07
Morrison Mines	..	.16
Mosher	.02	.03½
N.A.M.E. Un.	18.00	20.00
North Shores	.03½	.04
Oklend	.21	.23
O'Leary	.06	.08
Opemiska	1.50	1.60
Pamour Porc.	1.90	1.95
Rice Lake	..	.04
Shawkey	.40	.43
Silverado Gow.	.40	.42
Smelter Gold	.04	.05½
Smith Cobalt	.08	.09
Straw L. Beach	.15	.17
Sturgeon R. Gold	.89	.91
Sun Bear	..	.16
Thom.-Cadillac	.04	.05
Wells L. Lac	..	.09½
Wingold	.05	.07
Young David	.13	.15
Wendigo	.14	.16

Listed Bond Quotations

Week Ending Aug. 26, 1935

	Int. rate	Due	Yield	Latest Bid	High	Low	Range 1935 High	Range 1935 Low
Mtl. L. H. & P. Debs.	3	1939	2.85	50½	50½	50	50½	46
McNish	6	1948	...	3.25	3.50	3.50	4.00	3.10
B. C. Pulp & P.	7	1950	...	...	58	58	58	58

Montreal, Toronto and Curb Markets (Cont.)

Range 1935 High	Range 1935 Low	Divd. Rate in $	Y'ld in %		Sales	Close	High	Low	Close
				V					
2.00	1.00	.	...	Viau Biscuit	....	1.00	..	..	..
20½	12	.	...	Do. pref.	51	20½	17	16	16
				W					
27	16	.	...	Wabasso Cot.	50	20	20	20	20
33	23	.	...	Walker-Good.	4078	27½	28½	26½	26½
18½	16⅜	1	5.7	Do. pref.	1128	18	18	17½	17½
4.25	2.50	.	...	Walkerville Br.	1310	2.50	2.60	2.45	2.50
2⅜	1	.	...	Waterloo Mfg.	125	2	2½	2	2½
6	2⅜	.	...	West. C. Flour.	....	3	..	..	..
52	20	.	...	Do. pref.	....	26	..	..	..
36	32	50c	...	West. Grocers	....	36	..	..	..
100	95	7	7.1	Do. pref.	....	99	..	..	..
120	120	7	5.8	W. Koot. Pr. pf.	....	120	..	..	..
46½	27	1	3.2	Weston Ltd.	170	31½	31⅜	31	31½
115	108	7	6	Do. pref.	....	..	..	..	..
6	1½	.	...	Whittall Can.	37	5	3	3	3
92½	75	6.50	7	Do. pref.	25	85	92½	90	92½
3	2	.	...	Windsor Hotel	10	2	2	2	2
8	6	.	...	Do. pref.	....	6	..	..	..
2.25	.90	.	...	Winnipeg Elec.	10	1.50	1.50	1.50	1.50
10	4	.	...	Do. pref.	5	8	7	7	7
30	20½	.	...	Wood, A & J. p	....	20½	..	..	..
70	55	.	...	Woods Mfg. pf.	....	60	..	..	..
				Z					
5½	2½	.	...	Zimmerknit, c.	35	3	2⅜	2⅜	2⅜
85	63½	7	11	Do. pref.	....	63½	..	..	..

‡ Quotations for 1934. No sales recorded in 1935 to date.
§ Quotations for 1933.
† Quotations for 1931.
b New York Quotations.
▲ On account of arrears.

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and in its mining quotations elsewhere in this issue, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of approximate price is better than none at all.

Unlisted Canadian Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

August 27, 1935

Industrial Stocks:	Bid	Asked
Acadia Sugar, c.	2.25	3.00
Do., 6% pfd.	4.50	5.25
Acme F. Dairy, p.	41.00	...
Allens Beach, pfd.	50.00	...
Allens Tor. p. b. c.	22.00	...
Aluminium Ltd.	27.25	30.00
Andian National	46.00	47.50
Atlantic Sugar	105.00	106.50
B. C. Pulp, pfd.	6.00	8.00
Burns & Co. Ltd. A	5.50	...
Do., B	3.00	4.00
Can. & Dom. Sug.	54.00	55.50
Canada Paper, pf.	63.00	75.00
Canada Starch, c.	13.00	...
Do., Starch, p.	82.50	...
Can. Wire & C. p.	55.00	58.00
Can. Industries A	196.00	....
Do., B	195.00	...
Can. Industries	157.00	161.00
Can. Marconi, c.	1.70	2.25
Can. P'board, p. b.	4.00	6.00
Can. Tube 1st pfd.	30.00	...
Can. Westing.	48.00	50.00
Chase, pfd. bonus	23.25	26.00
Cl. Neon Ad. U.	4.25	5.50
Copeland Fl. U.	4.50	6.25
Corr. Pap. Box, p.	80.00	81.50
Dom. F. & Steel Com. (New)	20.00	22.00
Do., pfd. (New)	72.00	...
Dom. Woollens, c.	.40	.80
Donnacona Pap. A	2.00	2.85
Dunlop Tire, pfd.	...	70.00
Eastern Dair. pfd.	12.00	14.00
Edm. C. Dairy p.	49.00	...
Fed. Grain c.	.55	1.00
Do., pfd.	27.00	29.00
Gen. St. Wares p.	40.00	43.00
Goderich Elevator	5.00	6.00
Greening Wire, p.	99.00	102.50
Guelph Carpet, p.	97.50	99.00
Do., com.	14.50	15.75
Hayes Wheels, p.	...	9.75
Highland Dairy, c.	3.00	3.75
Do., pfd.	80.00	...
Huether Brew. p. b.	3.00	4.00
Inter. City Bak., c.	17.00	20.00
Inter. Met In. A p.	35.00	39.50
Inter. Paints, pfd.	19.50	21.00
Loew's London, p.	1.50	2.25
Mans. Theat.	24.00	26.00
Maple Leaf Gs. p.	3.62	4.00
Massey Harris, p.	26.50	27.50
Mercury Mills	6.00	10.00
Morrow Screw, p.	95.00	...
New M. Laund. pfd. bonus	65.50	70.00
Niag. W. Weav. p.	50.50	52.00
Para. Oshawa, p.	57.00	...
Prov. Paper, p.	99.00	101.00
Rel. Grain, p.	61.00	65.00
Rob. Cons. Cone	8.00	8.75
Rolland Paper, p.	85.00	88.00
Ruddy, E. L., p.	26.00	...
Std. Fuel. p. b.	101.50	103.50
Supert. Pet. B, p.	26.00	28.00
Tor. Carpet, p.	26.00	...
United Amuse. A	10.25	13.00
Do., A	10.25	12.25
Un. Steel, pfd.	3.00	4.25
West. Grain, p. b.	9.50	11.50
Insurance Stocks:		
Brit. America	36.50	40.00
Canada Life	450.00	...
Canadian Fire	72.50	78.00

	Bid	Asked
Can. Ins. Shs., c.	10.00	11.50
Con. L. 20% pd.	122.00	125.00
Cont. L. 20% pd.	35.00	40.00
Crown Life	112.00%	...
Dominion Fire	110.00	...
Dom. L. 50% pd.	255.00	300.00
Dom. Gen.	...	86.00
Empire L. 25% pd.	5.00	...
Excels. L. 30% pd.	70.00	74.00
Fed. Fire 25% pd.	36.00	40.00
Fidelity of Can.	46.50	...
Gt. West Life	400.00	410.00
Guar. of N. A. fully pd.	240.00	...
Imperial Life	316.00	...
Manuf. Life	251.00	260.00
Mon. L. 10% pd.	16.50	18.00
Nat. L. 25% pd.	53.25	57.00
Sov. L. 25% pd.	14.00	17.00
Sun Life	440.00	455.00
Tor. General	4.25	5.00
West. Assur. com.	35.00	38.00
Do., pfd.	40.00	...
W. Emp. L. 20% pd.	...	8.75
Trust & Loan Stocks:		
Chartered Trust	76.00	...
London & W. Tr.	30.00	35.00
Sterling Trust	30.00	35.00
Traders Fin. B, p.	63.00	...
Do., com.	.60	...
Trusts & Guar.	33.25	35.00
Victoria Trust	120.00	125.00
Waterloo Trust	98.00	...
Investment Trust Shares:		
Can. Gen. Invest.	6.20	6.50
Can. Investors	5.75	...
Can. Int. Invest. U.	26.50	28.00
Can. Invest. Fund	3.30	3.80
Sec. Units	10.75	12.50
Cons. Div. Std.		
Deb. & Sec. pfd.	27.50	...
Dom. & Anglo In. Units	196.00	...
Dom. Scott. In. U.	23.00	26.00
For. Power Sec.	8.25	10.00
Invest. Found. U.	40.50	42.00
Sec. Holding U.	11.00	13.00
United Corpns. A.	17.00	18.00
Do., B	5.50	6.50
Power Issues:		
Calgary Power, p.	83.00	84.50
Can. L. & P., c.	25.00	28.00
Can. W. Nat. Gas, pfd.	...	95.00
Do., com.	...	23.00
Gt. Lakes Pwr., p.	62.00	67.00
Maritime Tel. & Tel., pfd.	12.50	13.50
N. B. Tele., com.	10.25	11.50
N. S. L&P, com.	45.00	47.00
Do., pfd.	96.50	98.00

Recent London Quotations:
Brit. Col. Tele., pfd. $105
Brew. & Distillers ..... 4s. 6d.
Canada Company .... 7s. 6d.
Can. & For. Secs. .... 4s.
Can. Collier, $1 com. .... 1½d.
Do., pref. $10 .... 4½d.
Can. N. W. Land .... 10s.
Can. West. Lumber ... 10½d.
Hudson's Bay .... 17s. 7½d.
Do., pref. .... 89s. 9d.
Imp. Tob. (Canada) 6% pfd. .... 27s. 6d.
Third Can. Gen. Inv. .. 6s. 6d.

Dominion and Provincial Bonds

August 28, 1935

(Furnished by Toronto Bond Traders' Association)

Dominion of Canada Bonds

			Bid Aug. 28	Asked Aug. 28	Approx. Yield	Bid Aug. 21
Dominion	3½	15 Oct. 1935	100.00	100.40	.42	100.50
*Dominion	4	15 Oct. 1935	100.00	100.45	.53	100.25
Dominion	2	15 Oct. 1936	100.00	100.50	1.59	100.20
Dominion	5	15 Nov. 1936	103.50	104.00	1.64	104.00
†‡Dominion	5	1 Mar. 1937	105.50	106.00	1.17	106.10
‡Dominion	5½	1 Dec. 1937	108.50	109.00	1.42	109.25
Dominion	2½	15 Oct. 1939	100.50	101.25	2.18	101.15
Dominion	4	15 Oct. 1939	106.25	107.00	2.22	107.15
Dominion	4½	1 Sept. 1940	108.50	109.25	2.52	109.75
Dominion	5	15 Nov. 1941	110.50	111.25	3.00	111.65
Dominion	3	15 Oct. 1942	102.00	102.25	2.65	102.85
Dominion	2½	1 June 1943	99.00	99.75	2.54	99.65
Dominion	5	15 Oct. 1943	112.00	112.75	3.20	112.90
Dominion	4½	15 Oct. 1944	109.00	109.75	3.26	110.00
Dominion	4	15 Oct. '43-45	105.50	105.50	3.23▲	106.15
Dominion	4½	1 Feb. 1946	109.00	109.75	3.39	110.00
Dominion	3½	15 Oct. '44-49	101.50	102.25	3.21▲	102.35
Dominion	4	15 Oct. '47-52	104.50	105.25	3.48▲	106.00
Dominion	3	1 June '50-55	98.75	99.25	3.06	99.35
Dominion	4½	1 Nov. '46-56	107.25	108.00	3.64▲	108.85
Dominion	4½	1 Nov. '47-57	107.25	108.00	3.69▲	108.85
Dominion	4½	1 Nov. '48-58	108.25	108.75	3.65▲	109.25
Dominion	4½	1 Nov. '49-59	108.40	108.90	3.69▲	109.40

Dominion Guaranteed Bonds

			Bid	Asked	Approx. Yield	Bid Aug. 21
*G. T. P. Rly.	3	1 Jan. 1962	99.25	100.25	2.98	99.75
Can. N. Ry.	3	1 May 1944	100.00	101.00	2.85	100.75
Can. N. Ry.	3	15 Dec. '45-50	98.50	99.25	3.04	99.00
*Can. N. Ry.	4½	1 Sept. 1951	109.75	110.50	3.63	110.75
†Can. N. Ry.	4½	15 Sept. 1954	102.00	.....	...	102.10
*Can. N. Ry.	4½	1 Feb. 1956	110.75	111.50	3.69	111.50
†Can. N. Ry.	4½	1 July 1957	109.50	110.25	3.81	110.50
*Can. N. Ry.	4¾	15 June 1955	112.50	113.50	3.78	113.75
Can. N. Ry.	5	1 Feb. 1954	113.00	114.00	3.93	113.75
*Can. N. Ry.	5	1 July 1969	112.50	113.50	3.68▲	113.75
*Can. N. Ry.	5	1 Oct. 1969	115.25	116.25	3.78▲	116.00
*M. Harb. C.	5	1 Nov. 1969	115.50	116.50	3.77▲	116.25

Provincial Government Bonds

			Bid	Asked	Approx. Yield	Bid Aug. 21
Eastern—						
†N. Bruns.	4½	15 Apr. 1961	107.75	108.75	3.97	108.50
†N. Bruns.	5	15 Jan. 1960	113.00	114.00	4.09	114.00
N. Bruns.	5½	15 May 1950	113.00	114.00	4.23	113.75
N. Scotia	4½	15 May 1943	107.00	108.00	3.28	108.00
†N. Scotia	4½	15 Sept. '47-52	107.50	108.50	3.65▲	108.50
N. Scotia	4½	15 May 1961	109.25	110.25	3.86	110.00
†N. Scotia	5	1 Mar. 1960	114.25	115.25	4.02	115.25
*Ontario	4	1 June 1962	102.00	104.00	3.76	104.50
*Ontario	4½	1 Sept. 1944	107.00	108.50	3.39	109.25
Ontario	4½	1 June 1950	107.00	108.50	3.75	108.50
*Ontario	4½	15 Jan. 1962	107.00	108.00	4.01	109.00
Ontario	5	15 Oct. 1948	109.00	110.50	3.99	111.25
*Ontario	5	2 Dec. 1960	114.00	116.00	3.99	115.50
Ontario	5½	1 July 1946	112.50	114.00	3.92	114.00
O. H. C.	3½-4-5	1 Oct. '33-52	100.00	101.00	1.76▲	100.75
*Ont. Hyd. C.	4	1 Aug. 1957	102.00	104.00	3.73	103.50
Ont. Hyd. C.	4¾	1 Jan. 1970	108.50	110.50	4.17	110.00
Quebec	4	15 Mar. 1952	106.00	107.00	3.45	106.75
Quebec	4¼	1 Aug. 1958	109.00	110.50	3.57	110.25
Quebec	4½	2 Jan. 1963	111.50	112.50	3.77	112.50
Western—						
†Alberta	4	1 Dec. 1957	84.00	87.00	4.97	93.50
†Alberta	4½	1 Oct. 1956	87.00	90.00	5.28	95.00
†Alberta	5	1 Jan. 1948	91.00	94.00	5.66	100.00
Alberta	5	1 Sept. 1955	91.00	94.00	5.48	99.00
*Alberta	5	1 Oct. 1959	91.00	94.00	5.45	101.00
†Alberta	5½	1 Jan. 1947	95.00	98.00	5.74	103.00
Alberta	6	1 Mar. 1947	96.00	99.00	6.07	103.00
†Brit. Col.	4	1 Dec. 1957	88.00	91.00	4.66	94.00
*Brit. Col.	4½	15 Jan. 1951	95.00	98.00	4.68	97.50
†Brit. Col.	4½	1 Oct. 1953	95.00	98.00	4.67	97.00
†Brit. Col.	5	15 Jan. 1948	97.00	100.00	5.00	100.50
Brit. Col.	5	1 Sept. 1953	97.00	100.00	5.00	100.50
Brit. Col.	5½	1 Feb. 1945	99.00	101.00	5.36	101.50
Brit. Col.	6	15 Feb. 1947	100.00	102.00	5.76	103.00
†Manitoba	4	1 Dec. 1957	95.00	97.00	4.22	99.00
†Manitoba	4½	15 Dec. 1956	99.00	101.00	4.42	103.00
†Manitoba	5	15 June 1954	103.00	.....	...	107.00
*Manitoba	5	2 Dec. 1959	105.00	.....	...	109.50
Manitoba	5½	1 Oct. 1955	107.00	109.00	4.81	109.00
Manitoba	6	1 Apr. 1947	106.00	108.00	5.07	110.00
Sask.	4	15 Aug. 1953	86.00	88.00	5.02	90.50
*Sask.	4½	2 July 1948	95.00	97.00	4.88	99.00
†Sask.	4½	1 Oct. 1951	91.00	94.00	5.05	96.00
Sask.	5	1 Aug. 1958	96.00	99.00	5.07	100.00
†Sask.	5½	15 Nov. 1946	99.00	102.00	5.25	104.00
Sask.	6	15 Mar. 1952	105.00	107.00	5.35	107.00
Municipal Bonds						
†Halifax	5	1 July 1961	111.50	112.50	4.21	112.50
Hamilton	5	1 May 1950	105.25	106.25	4.25	101.00
Montreal	5	1 Mar. 1945	104.25	106.25	4.20	104.25
Ottawa	4½	1 July 1945	106.00	109.00	3.43	106.00
†Quebec	5	1 June 1959	106.50	107.50	4.49	107.50
Regina	5	1 July 1944	85.00	90.00	6.50	85.00
St. John	5	15 Dec. 1950	107.00	108.00	4.29	108.00
†Toronto	4½	1 Jan. 1955	108.50	110.50	3.75	108.50
Vancouver	5	1 June 1969	87.00	91.00	5.59	87.00
Victoria	5	21 July 1945	92.00	96.00	5.53	92.00
Winnipeg	5	1 Mar. 1944	104.00	106.00	4.16	104.00

*Payable Can., N. Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N. Y. •Calculated to maturity, although callable prior to that date. ‡Exempt from Dominion income tax.

Winnipeg Stock Exchange

(Transactions from Aug. 16 to Aug. 22)

Div. rate in $	Yield in %		Sales	High for period	Low for period	Close Aug. 22
..	..	Flin Flon Synd.	4,965	.19½	.17	.19½
..	..	Monarch Life	15	17.00	17.00	17.00
..	..	Gold Lake	5,400	.25½	.23	.23
..	..	Rice Lake shs.	500	.04	.04	.04
..	..	Ore Grande	1,500	.04	.04	.04
..	..	Northern Trust	67	8.00	7.75	7.75
..	..	Island Lake	3,500	.03⅜	.02½	.02½
..	..	Pelissiers, pfd.	4	18.00	18.00	18.00
..	..	Sturgeon River	500	.88½	.88½	.88½
..	..	Shawkey	200	.42	.42	.45
1	6.7	United Grain	30	15.50	15.00	15.00
..	..	Wingold	10,100	.06½	.05	.06
..	..	Wallace Lake	1,000	.02⅜	.02⅜	.02⅜

Stocks Not Traded In During Week*

	Bid	Ask
Beaver Fire	..	100
Beaver Lumber, c.	..	3
Canadian Fire	72	..
Crescent Cream, p.	25	..
City Dairy A	..	10
Federal Grain	..	75
Federal Grain, pfd.	27½	..
Home Investment	25	..
Monarch L. 10% pd.	17	18½

	Bid	Ask
Northern Trust	..	7
Rel. Grain, pfd.	..	66½
West. Grain, pfd.	8	..
Can. Amer. Trust	3.05	3.30
Can. Inv. Fund	..	3.80
Fundamental A	4.93	5.50
Series B	4.46	...
Grouped Inc.	..	5.00

*Stocks more active on other exchanges not included.

Classified Advertisements

Classified ads cost 4c. per word and figure for each insertion. Minimum ad, $1.75. Add five words when box number is required. Classified ads payable in advance.

Business Wanted

FIRM WITH LONG AND SUCCESSFUL manufacturing and selling experience is in a position to add a new line capable of national and export development. Will invest in or buy outright; preferably in old established business of high repute where owners are thinking of retiring. Address in confidence. Box 222, The Financial Post.

Wanted

YOUNG MAN, COLLEGE GRADUATE, with some experience in financial reporting and statistical work of financial nature. Apply Box 224, The Financial Post, 481 University Ave., Toronto.

Mechanical Sales Engineer Seeks New Connection

EXPERIENCED IN TRANSMISSION, materials-handling, crushing, screening, hoisting, machinery. Familiar modern plant practice. Do own estimating, etc. Splendid connection, Ontario, Quebec, Northern Mining Area, Maritimes, Paper Mills, Mines, Industrials. Any location. Presently Montreal, and East. Salary, expense and commission. Apply Box 228, The Financial Post, Toronto.

Business Opportunity Wanted

MAN with expert accounting experience will consider investment in or purchase of established business that can stand strict investigation, and where he can take an active part in the management. Apply Box 201. The Financial Post, Dom. Square Bldg., Montreal.

DIVIDEND NOTICES

The Montreal Cottons Limited

Notice is hereby given that a quarterly dividend of one and three-quarters per cent (1¾%), being at the rate of Seven per cent (7%) per annum, has been declared upon the preferred stock of the Company, and cheques will be mailed on the fifteenth day of September next, to shareholders of record at the close of business on the 31st day of August, 1935.

By Order of the Board.
CHAS. GURNHAM,
Secretary-Treasurer.
Valleyfield, August 21st, 1935.

The Dominion Bank

Notice is hereby given that a Dividend of two and one-half per cent upon the paid up capital stock of this Institution has been declared for the quarter ending 30th September, 1935, being at the rate of ten per cent per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Tuesday, the 1st day of October, 1935, to shareholders of record of the 20th September, 1935.

By Order of the Board.
DUDLEY DAWSON,
General Manager.
Toronto, 15th August, 1935.

Acme Glove Works Limited

DIVIDEND NOTICE

Notice is hereby given that a dividend of 1⅝% (One and Five Eighths Per Cent) has been declared upon the 6½% Cumulative Convertible First Preferred Shares of capital stock of the Company, payable on the 16th day of September, 1935, to the holders of such shares of record on the share register of the Company at the close of business on the 31st day of August, 1935.

By Order of the Board
A. LEPINE,
Secretary.
August 21st, 1935.

TEXTILE DOMINION CO. LTD.

Dominion Textile Co. Limited

Notice of Common Stock Dividend

A DIVIDEND of One Dollar and Twenty-five cents ($1.25) per share, has been declared on the Common Stock of DOMINION TEXTILE COMPANY, Limited, for the quarter ending 30th September, 1935, payable 1st October, 1935, to shareholders of record 16th September, 1935.

By order of the Board,
L. P. WEBSTER,
Secretary.
Montreal, August 21st, 1935.

TEXTILE DOMINION CO. LTD.

Dominion Textile Co. Limited

Notice of Preferred Stock Dividend

A DIVIDEND of One and Three Quarters per cent. (1¾%) has been declared on the Preferred Stock of DOMINION TEXTILE COMPANY, Limited, for the quarter ending 30th September, 1935, payable 15th October, 1935, to shareholders of record 30th September, 1935.

By order of the Board,
L. P. WEBSTER,
Secretary.
Montreal, August 21st, 1935.

United Grain Growers Limited

A Dividend at the rate of four per cent has been declared on the paid-up capital stock of United Grain Growers Limited, for the financial year ending July 31st, 1935.

Cheques will be mailed on September 2nd, 1935, to shareholders of record at the close of business, July 31st.

By order of the Board of Directors.
R. S. LAW,
President.
Winnipeg, Manitoba,
July 22nd, 1935.

POWER CORPORATION OF CANADA LIMITED

Preferred Dividend No. 41

NOTICE is hereby given that a dividend of 1½% (being at the rate of 6% per annum) has been declared on the 6% Cumulative Preferred Stock of Power Corporation of Canada, Limited, for the quarter ending September 30th, 1935, payable October 15th, 1935, to shareholders of record at the close of business, September 30th, 1935.

By order of the Board,
L. C. HASKELL, Secretary.
Montreal, August 23rd, 1935.

COTTON TEXTILE GROUP IN MIDST SLACK PERIOD

AAA Policy on U.S. Cotton Loans is Principal Development

OPERATIONS QUIET

Inventories of Primary Manufacturers Capable of Taking Care of Larger Sales Volume

From Our Own Correspondent

MONTREAL. — Primary cotton textile manufacturers are marking time at the moment, waiting to see the outcome of the U. S. government's cotton loan policy under the A.A.A. and also for signs of how the fall and winter trade is likely to shape up.

This is a seasonally dull period among the manufacturers. The major companies report production on a limited scale and the movement of goods to retailers at a relatively low ebb. The fall movement of goods has not started, so it is impossible to forecast the trend of business between now and the balance of the year.

Cotton Prices Break

The principal development of late, from the point of view of the primary cotton manufacturers, was the sharp break in cotton prices last week-end when the U. S. government announced its crop loan programme.

The administrator of the Agricultural Adjustment Administration announced that the federally-financed Commodity Credit Corp. will lend nine cents a pound on the 1935 U. S. crop. Further the corporation will guarantee contract signers a return of 12 cents a pound on ⅞-inch middling cotton produced under federal allotments.

The plan also provides that the A.A.A will make payments to cotton farmers equal to such difference, if any, as may exist, between 12 cents and average price of ⅞-inch middling cotton in the spot markets during the period from September 1 to January 1.

Market Off on News

Following this announcement, covering a lower advance to the farmer than was the case a year ago, the New York cotton futures market broke sharply. Liverpool followed suit and the Japanese trading market at Osaka found it necessary to suspend trading temporarily.

The break in the cotton markets, as far as can be determined, has not made any material difference in the position of the Canadian primary manufacturers. They refrained from making extensive commitments, preferring to await the U. S. government's announcement on its loan policy to the cotton farmers.

Roosevelt Favors Policy

At the time of writing there is agitation for an increase in the advance to the farmers, so that the market may not settle down until toward the end of the month. Inasmuch as President Roosevelt favors the policy already announced by the A.A.A., expectation here is that there will be no material changes.

The lower loan value on U. S. cotton is viewed favorably by the trade. In the past the U. S. government's holdings have constituted what practically amounted to a monopoly of the available supply. The fixing of a price which was regarded as being out of line with that which international conditions warranted tended to restrict the demand for cotton goods. Change in the U. S. crop loan programme is therefore regarded as a step in the right direction.

So far the Canadian primary cotton manufacturers have made no definite decision on their U. S. cotton requirements over the next manufacturing year. There are a number of factors which will influence their demand and until they are settled commitments by the industry as a whole are not likely to be too widespread.

Two factors stand out as influencing raw cotton future commitments —sales and imports. In 1933-34 the manufacturers experienced a marked improvement in sales, but in the last 12 months demand has fallen off. Plant operations at the moment are quiet. The manufacturers report inventories to be of good size, though not abnormally large, and an appreciably larger volume of business could be handled without the necessity of increasing plant operations.

Retail distributors have not as yet indicated their demands in anticipation of fall and winter sales. The experience of last spring, when unseasonable weather caused a serious setback, has caused them to proceed warily in anticipating demand. This is an in-between period, too, and manufacturers will not know the trend of consumer demand, as exemplified by retail orders until well into the coming month.

Imports Still Heavy

Imports of cotton fabrics from the United Kingdom continue to be a pressing problem for the domestic manufacturer. Trade returns indicate that Lancashire operators are maintaining imports despite the drop in apparent consumption in Canada. The English manufacturers have a request before the Canadian Tariff Board for a review of the concessions made under the Ottawa Agreements and it is expected that the hearing will be heard this fall.

Meanwhile unless there is a marked pick-up in demand it is unlikely that the financial statements of the primary cotton manufacturers will make as good reading as a year ago. The 1934-35 statements reflected in part the good volume of business obtaining in 1933-34, but such will not be the case in the current period unless there is a turn for the better in consumer demand.

FOUNDATION CO. ORDERS ON HAND NOW $3.5 MILLION

Two Maritime Contracts Provide Bulk of Existing Business

From Our Own Correspondent

MONTREAL.—Nearly $3.5 millions of business is now on the books of the Foundation Co. of Canada. In the past month or two the company has been successful in securing several large public jobs, work on one of which will not be finished until some time in 1937.

One of the biggest jobs secured by the company this year was that obtained from the Saint John Harbor Commissioner for the rebuilding of berths Nos. 1 2, 3 and 4. This job is now under way and will involve an eventual outlay of around $2¼ million.

Outlook More Promising

Another Maritime job awarded to Foundation Co. covers the construction of a new federal government office building at Halifax. This contract is worth about $1 million to the company.

Several smaller contracts for private corporations have been secured, including the sinking of a new shaft for Lake Shore Mines at Kirkland Lake.

The Marine Department has had a fairly active year both in marine salvage and ocean towing. A substantial proportion of the company's marine construction plant will be employed on the Saint John contract.

Graustein Takes Grave View On Ontario Hydro Situation

From Our Own Correspondent

MONTREAL.—Threatened repudiation of the contracts held by the Quebec utilities with Ontario Hydro has created a situation which contains grave possibilities, says Archibald R. Graustein in an interim report issued to the shareholders of International Hydro Electric System, which controls Canadian Hydro Electric Corp., and in turn Gatineau Power Co.

International Hydro is now dependent largely on dividends received from its Canadian subsidiaries for cash with which to meet interest payments on its outstanding debentures, and cancellation of the Hydro contracts would place International in an unenviable position.

Await Definite Action

If the bill passed last spring by the Ontario legislature is made operative, it would deprive Gatineau Power of a market for several hundred thousand horsepower of electrical energy.

While the situation holds grave possibilities, it is not anticipated that Gatineau will lose all of its Hydro business. Gatineau contracts call for delivery of 60 and 25-cycle power. The 60-cycle power is required by Ontario and Hydro is not in a position to replace this power without great expense and trouble. The 25-cycle power deliveries, on the other hand, may be reduced.

CANADA PERMANENT Mortgage Corporation

Quarterly Dividend

Notice is hereby given that a Dividend of TWO PER CENT. for the current quarter, being at the rate of EIGHT PER CENT. PER ANNUM on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable

TUESDAY, THE FIRST DAY OF OCTOBER

next, to Shareholders of record at the close of business on the Fourteenth day of September, 1935.

By order of the Board.
WALTER F. WATKINS,
Secretary.
Toronto, August 21st, 1935.

DIVIDEND No. 32

HIRAM WALKER-GOODERHAM & WORTS LIMITED

Controlling and Operating
Hiram Walker & Sons Limited (Walkerville)
Gooderham & Worts Limited (Toronto)
Hiram Walker & Sons Distilleries Inc. (Peoria)
and Sudsidiaries
Distillers & Bottlers in Bond

NOTICE is hereby given that quarterly dividend (No. 32) of twenty-five (25c) cents a share has been declared on the outstanding no par value Cumulative Dividend Redeemable Preference Capital Stock of this Company.

This dividend is payable September 14, 1935, to shareholders of record at close of business August 23rd.

By Order of the Board,
FLETCHER RUARK,
Secretary and Treasurer.
Walkerville, Ont., Aug. 27, 1935.

Port of Halifax Trade In July Best Since 1930

From Our Own Correspondent

MONTREAL.—Port of Halifax reports the best July in four years in the volume of cargo passing over the local piers, according to a report issued by the Halifax Harbor Commissioners. Inward and outward cargo tonnage during the month totalled 149,705 tons, the best showing since July, 1931.

Total cargo handled through the port for the first seven months of the current year was 1,350,980 tons. This compares with 1,257,450 tons for the corresponding period of 1934.

Wheat Prices

(Cash Quotations)

	Aver. for week Aug. 16 $	Previous week $
At Winnipeg:		
No. 1 Man. Hard	0.834	0.848
No. 1 Northern	0.831	0.845
No. 2 Northern	0.801	0.816
No. 3 Northern	0.752	0.766
No. 4 Northern	0.693	0.711
No. 5 Wheat	0.640	0.658
No. 6 Wheat	0.625	0.645
Feed Wheat	0.589	0.606
At Vancouver:		
No. 1 Northern	0.797	0.816
At Toronto:		
Milling Wheat*	0.580	0.575

Competitive Export Prices: (August) shipment:

	High Week to Aug. 23 $	Low $
No. 1 North. (Vanc.)	0.98⅝	0.97⅝
No. 2 North. (Atlan.)	0.96⅛	0.93⅝
No. 2 North. (Vanc.)	0.96	0.96
Argentine Rosafe	0.78¾	0.76¼
Do., Barusso	0.76¼	0.73¼
Australian	...	...
West Australian	0.84¾	0.82¾
French	0.60¼	0.58⅝
Russian	0.81⅛	0.78⅝

* New crop.

Wheat

Threshing Begins

RUST continues to take its toll—or rather as threshing begins, the toll of what is described as the worst infection that has visited Canada in twenty years begins to mount. In Manitoba the crop is practically all cut and threshing is commencing though hindered to some extent by damp weather. In Saskatchewan about 70 to 80 per cent of cutting is completed and threshing has just commenced. Frosts and a further extension of the rust area are the only changes reported in this week's Dominion Bureau crop report. Alberta in the north has suffered extensively from frost. Cutting is just commencing.

* * *

Await Minimum Price

MARKETWISE there has been comparative quiet as traders await the first meeting of the advisory committee of the grain board, which, it is expected, will this week fix the minimum price to be paid for the 1935 crop. The home grown crops of many European countries are coming to market now, and Russia for the first time in many years is reported as a steady seller competing with Canadian offerings.

Farm Factors

Agricultural Trends Affecting Business and Finance

Butter Up

A SHARP increase in the amount of butter in cold storage at the beginning of August is not viewed with immediate alarm by members of the trade or producers throughout Canada. Such an increase is fairly natural at this period of the year when production is usually considerably higher than during the winter months.

Under normal conditions a surplus is stored during June, July, August and September, and drawn upon during the period of lean production from December until spring.

On August 1, 1935, the total in storage reported by the Dominion Bureau of Statistics was only about the same as at August 1, 1934, though almost double the quantity in storage at the beginning of the previous month.

In looking ahead a few months, however, a greater surplus is expected largely due to the fact that the former drought areas in Western Canada where hardly a blade of grass was growing a year ago are now abundantly supplied with moisture and conditions are reported fair to excellent. Most of the increase in butter consumption has developed in such sections and a considerable surplus is expected from these sections in the next few months.

Whether that surplus will be sufficient to offset the present rather delicate balance between domestic consumption and production remains to be seen. A small surplus of butter would be sufficient to place this country on an export basis in which case the present tariff would be of no avail.

DOUBTS RAISED REGARDING SALES WHEAT TO U. S.

Scarcity of High Grade Flour Raises Hopes of Big Exchange

From Our Own Correspondent

WINNIPEG.—High hopes are entertained of selling a considerable quantity of Canadian wheat for consumption in the United States during the current crop year, and 40,000,000 to 50,000,000 bushels are frequently mentioned as possible.

A year ago similar hopes were entertained for approximately the same quantity. Last year it was low grade wheat that was expected to be sold, to be used for livestock feed, because of a supposed shortage of feed grain in the United States. This year it is high grade wheat, on which, if it is sold, the full duty of 42 cents a bushel would have to be paid.

Use Bonding Facilities

Because of the expected sale to the United States last year commercial houses put a large quantity of low grade Canadian wheat into bonded position in the United States. Similarly, at the present time, the same houses, as well as United States milling companies, are putting a good deal of high grade wheat into bond in the United States. The low grades came back into the Canadian supply last year when the expected purchases failed to materialize, and the wheat now going into bond in the United States may also come back.

Was Market Missed?

The parallel may go further. There was, unless well authenticated stories are astray, a market for Canadian wheat in the United States last year, but Canada missed it, through hanging on to supplies. And it will be quite easy again to miss the possible market this year.

Official information has not been published, but it is believed that in the late summer last year, when United States authorities were panicky about the expected shortage of feed, they were prepared to make an immediate purchase direct from the Canadian government authorities of some 50,000,000 bushels of wheat. But the Canadian authorities were not willing to do business that way, and to lose the market effect of such a large purchase made on the open market. The Americans were told, it is said, to buy wheat through the regular channels.

But feed was not so scarce as anticipated, and the American authorities never got round again to wanting Canadian wheat for feed.

Same Story This Year

A somewhat similar hesitation to do business appears to have been manifested this year, and when the price situation has been such as almost to make business possible the Canadian price has been boosted above the practicable level. In addition the government agency, through its control of movements on account of its corner in August wheat is understood to have prevented the accumulation of supplies of No. 1 hard wheat by agencies prepared to move it from Fort William to United States positions.

Lacks High Grade Grain

The United States is not short of wheat so far as total supplies are concerned, but it lacks high grade hard spring wheat to satisfy usual demand for flour from such wheat. A few days ago such flour was quoted in New York at $8.25 per barrel, while hard red winter wheat flour, which usually would be only slightly cheaper was quoted at $7. At the same time Pennsylvania soft wheat flour was $5.60 and soft wheat flour from the Pacific Coast was $5.35.

With such a price situation bakers are evidently going to use as much as possible of the cheaper flours, and as little as possible of the most expensive. In these conditions statistics as to usual consumption of the highest grade flour and wheat are not to be relied on as a guide to demand. At $8.25 a barrel for flour, millers can afford to pay a very high price, as they have been doing, for 60 pound hard spring wheat on the Minneapolis market, and they can almost, but not quite, afford to import Canadian wheat at current prices, and pay the duty on it.

Dealer Protection

They, and dealers who supply them, anticipate a price situation where business may be possible and have been protecting themselves. But they have also wanted to keep such supplies as they accumulated hedged in the Winnipeg market. Should the flour market in the United States prove sufficiently receptive to high grade and expensive flour, they can mill wheat for domestic consumption. If not, they may mill it in bond for export to European markets, although not for the British market, from which a duty on foreign flour excludes them. Or, failing such needs, they can simply return such wheat, unmilled, to Canadian export channels.

What makes the export of milling wheat to the United States possible is the high premium paid for northwest dark spring wheat. But that premium in turn is limited by the possibility of imports from Canada, and whenever business is almost on the verge of being done, the premium tends to break on United States markets, or else the Canadian price tends to rise just above the critical point.

It must be remembered also that two months of the United States crop year have now passed. By July 1 next, new supplies of hard red winter wheat will become available, and long before that time the prospects for the crop will exercise a market influence.

Fear Embargo

A doubtful matter is how much wheat imports from Canada the United States would tolerate without moving to shut off further imports. Power to do that is vested in the government under the provisions of the Agricultural Adjustments Act, in order that imports may not interfere with price raising efforts of the administration.

When all factors are considered, it would not seem wise for Canada to count on any very great volume of wheat exports to the United States. From anything that has yet occurred Mr. Broomhall's estimate of 8,000,000 bushels for such business this crop year appears to be more soundly based than guesses at 40,000,000 or 50,000,000 bushels, although it is not yet safe to call these latter impossible.

Expect Lower Carry Over At End of 1936 Crop Year

If Foreign Crops Light Look For Possible Clean-up at End of 1935 Season— See Present Carryover Halved in Any Case

From Our Own Correspondent

WINNIPEG.—Although Canada's expectations that she would sell during the past crop year considerably more wheat than she produced for export, were not realized and the carryover was increased, there is equal confidence again this year both of substantial export business and of a considerable reduction in the carryover. The crop is still difficult to estimate but threshed wheat this year can hardly exceed 300 million bushels. Most estimates now made are in the neighborhood of 275 million bushels, of which a large part is low grade. With a carryover of 214 million bushels the total quantity of available wheat is approximately 500 million bushels.

Carryover May be Halved

Normal consumption within the country for food, feed and seed is 115 million bushels, and this year an additional 10 million bushels may be used for feed. Accepting tentatively Mr. Broomhall's estimate of 265 million bushels exports from this country there would be a total clearance of 390 million bushels, leaving the carryover at 110 million bushels, a reduction of 104 million bushels. The effective reduction might be calculated at 115 million, allowing for an additional 11 million bushels which might be carried over on farms, probably ultimately to be fed, and not to appear in commercial supplies.

Further Cut Possible

If some expectations as to Canada's exports to the United States are fulfilled, 40 million bushels, besides 8 million bushels allowed for by Mr. Broomhall might be disposed of. This would bring the carryover down to 70 million bushels. And if crops of Australia and Argentina, which Mr. Broomhall estimates as being comparatively small, should be smaller yet, which is quite possible, need for an additional 30 million bushels of Canadian wheat might easily occur. This would bring the carryover down to 40 million bushels.

As much of the carryover would be low grade, and might not be commercial wheat at all, and as August exports have to be made of old crop wheat that would be equivalent to getting down to bare boards. To accomplish that would require average weekly shipments from Canada for the rest of the crop year of approximately 7 million bushels, instead of the 2 or 3 million bushels we have lately been exporting. There are enthusiasts who can see such a volume of business as possible, but the general expectation is rather for reduction of the carryover than for its elimination as a commercial factor.

Require British Aid

To do very large volume of business it will be necessary for British millers to use Canadian wheat in larger quantities than has lately been the case. That would mean stepping up the quality of English made flour, and it may be doubted if English millers are anxious to do that, as they have been getting on very nicely with a lower quality. Before doing that they might use considerably larger quantities of home grown wheat.

They can also dilute the Canadian wheat they use with considerable quantities of French soft wheat, of which a surplus still exists in spite of France's comparatively short crop this year. Again they can secure supplies from Rumania, Bulgaria and Yugoslavia. They might also persuade Russia to part with more than the quantity now expected from the Russian crop.

Various estimates have been made, ranging from 16 million to 30 millian bushels, of wheat Russia might export this year from a wheat crop that is close to 1,000 million bushels. But the only indication so far available is that Russia is not offering very freely and is demanding a price that keeps fairly close up to the Canadian level.

Wheat Reserve Low

The wheat reserve which is comprised of supplies afloat to Europe has been reduced to an extraordinarily low level, probably as low as it can be allowed to go, and that enabled importing countries to bridge the gap until their own new crop supplies become available. They can now draw on their own supplies to an unusual extent, postponing the time when they will have to supplement their own production by imports.

In former years the rate at which importing countries began to draw supplies at the beginning of the crop year was a fairly reliable index to probable total world shipments for the year, weekly shipments throughout the year tending to keep close to the average. Fortunately it is not probable that the low weekly shipments of August will correspond to the demand in ensuing months.

The only sound conclusion from a study of the statistical position is that there is a possibility for an excellent wheat export from Canada during the current year. Until the movement begins in quantity, however, it is not to be considered assured.

Key Facts About Wheat

	Week bu.	Prev. Week bu.	Same Wk. Prev. Year bu.
Canadian Wheat in Store:			
Fort William (Aug. 23)	52,069,136	55,615,238	53,933,031
Country elevators (Aug. 16)	45,563,713	46,059,576	64,154,131
Total (all points), (Aug. 16)	195,900,313	193,601,641	184,926,025
World Shipments (incl. flour) Aug. 12:			
North American	1,533,000	2,896,000	3,960,000
Argentine	2,935,000	1,497,000	6,144,000
Australian	1,013,000	1,466,000	816,000
Black Sea	....	....	....
Total (world)	6,345,000	6,283,000	11,720,000
Visible Stock: Aug. 27			
Canadian	134,730,000	131,807,000	106,220,000
United States	54,635,000	49,244,000	115,223,000
Argentine	11,022,000	11,389,000	19,472,000
Australian	25,000,000	27,496,000	45,000,000
Country Marketings and Exports:†			
Canadian exports (Aug. 9)	1,597,326	1,253,886	2,754,148
Cum. to Aug. 9 (1 week)	1,597,326	1,253,886	2,754,148
Country marketings (Aug. 9)	1,621,021	1,444,683	3,002,817
Cum. to Aug. 16 (2 weeks)	3,065,804	1,444,683	6,014,732
Country deliveries (Aug. 23)‡	2,834,000	1,571,000	8,300,000
Country loadings (Aug. 23)‡	3,823,734	3,592,000	6,882,000

†Excluding flour. ‡Sanford Evans Weekly Report.

Winnipeg Grain Prices

Week to August 27, 1935

Crop year from Aug. 1, 1935 High	Low		Open Aug. 21	High for week	Low for week	Close Aug. 27
		Wheat				
.86⅝	.81	Aug.	.86⅜	.87⅞	.84½	.85⅛
.85⅝	.82¾	Oct.	.85⅝	.87⅛	.83⅜	.84
.86⅛	.82¾	Dec.	.85¼	.86⅜	.83⅛	.83¾
		Oats				
.35½	.31⅞	Oct.	.33⅜	.34¼	.33	.33⅜
.33⅛	.30	Dec.	.32⅛	.32⅝	.31¼	.31⅜
		Barley				
.37⅞	.33½	Oct.	.34⅞	.35¼	.34½	.34⅝
.38½	.33⅞	Dec.	.34¾	.34¾	.34¼	.34⅝
		Flax				
1.31	1.21¼	Oct.	1.28	1.28¾	1.26½	1.28
1.29¼	1.19¾	Dec.	1.27¼	1.27⅞	1.24	1.27⅛
		Rye				
.42½	.36¾	Oct.	.38	.39½	.36⅝	.38⅜
.43⅝	.38⅛	Dec.	.39¼	.39⅝	.37½	.37⅝

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News of Canadian Mining Investments

The Week in Mining

Cheery Bits

LAST week the mining industry was beginning to gather in stray bits of data as the result of the half yearly stock-taking going on for the past month or two. Pieced together these stray bits of information supply an interesting and more or less sound gauge on which to base estimates for the year. Last week's "bits," if put together, make a cheery picture with which mining men may comfort themselves while waiting for the market to liven up.

• • •

Manitoba's Bit

ONE of the most prominent scraps of information emanated from Manitoba, which province has become conscious of its mineral possibilities in the past few years with noteworthy intensity. During the first half of 1935, nearly three times as much gold was produced by this province as in the same period last year.

For those who like their statistics rare, this means that gold to the value of $2,753,000 was taken from Manitoba's rocks between Jan. 1 and June 30, 1935, compared with $1,052,000 in the first half of 1934.

Even this does not tell the whole story. There appears to be little doubt that the gold production for the last half of the year and for 1936 will show still greater increase, inasmuch as production is scheduled to start this fall at God's Lake, and early next year at Herb Lake and Beresford Lake.

• • •

Bit From B.C.

FROM British Columbia comes word that production for the first half of the year reached close to $6 million dollars, nearly twice as much as the production for the first six months of 1934, which was around the $3 million mark.

Since there appears to be no likelihood of a material increase in B.C.'s gold production during the last half of the year, 1935 production may be roughly estimated at about $12 million, or a $2 million increase over 1934.

• • •

Real Significance

LAST week this paper published figures showing that the half-yearly gold production of Canada as a whole was 5.6 per cent higher than in the first half of 1934.

Proportionate increases were shown by Ontario and Quebec.

That these increases in production have a tangible significance to Canadian industry as a whole is shown by the final scrap of information drifting in last week, to the effect that during 1934 the metal mining and smelting industry in Canada spent some $58 million in purchases of general supplies, power, freight insurance, etc. In addition to this the industry spent $51 millions in salaries and wages, making an aggregate of $100 millions, disbursed for services rendered.

• • •

Copper Market Widens

DURING the bleakest period of the recent long depression in the copper industry, certain pessimists expressed the view that the era of usefulness for this metal had apparently passed its peak. On the contrary, indications are abundant that copper is getting a wider and wider market. As a case in point, The Copper and Brass Research Association of United States has estimated that over 1 million pounds of copper and copper alloys are being consumed weekly by the manufacturers of air conditioning equipment and mechanical refrigeration. Taking present consumption and seasonal variation into consideration, the industry will probably consume around 50 million pounds of the red metal this year

When it is realized that the Canadian output of copper totals only about 300 million pounds per year, some idea of the importance of this comparatively new market may be had. This industrial activity, of course, is only one of the minor consumers of copper.

• • •

Government Aids Investor

IT IS seldom that the constructive aid which an alert Department of Mines can render to the mining industry is as clearly illustrated as in the case of Bonanza Cache Gold Mines Ltd., whose publicity methods were exposed some weeks ago in The Financial Post. With admirable promptness, George S. Pearson, Minister of Mines in British Columbia, dispatched one of his most experienced engineers to the property. As a result of this engineer's examination, would-be investors are provided with a concise impartial report, a report which incidentally is in striking contrast to the circular letters which were sent out apparently by the tens of thousands to all parts of Canada by a group of Vancouver promoters.

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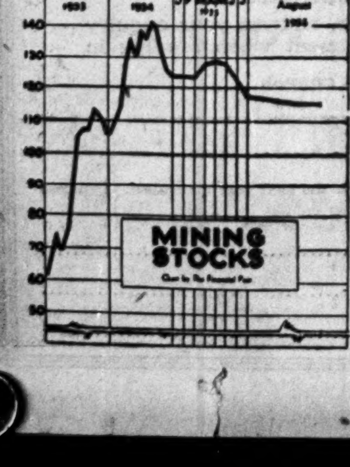
Index of Mining Stocks

THE total index for mining stocks dropped from 115.9 for the week of August 15 to 115.1 for the week of August 22. Generally lower prices for gold stocks more than offset gains in base metals. The index for August 23, 1934, was 142.5.

With one exception all gold stocks were lower during the past week. The index for the week of August 22 was 105.3 as compared with 107.1 for the previous week. The index for the same week of 1934 was 138.8.

All base metals advanced, and as a result the index showed a gain of 3.0 points to 156.4 as compared with 153.4 for the week of August 15. For the week of August 23, 1934, the index was 163.2.



GACHIN MEETING APPROVES MOVE FORM COMPANY

Statement Reveals 16,045 Units Outstanding at July 31

Unit holders of Gachin Gold Syndicate, Ltd., meeting in Toronto recently, approved a series of resolutions which will, in the aggregate, result in the formation of a company, with an authorized capitalization of 200,000, seven per cent cumulative preferred shares, par value $10, and 300,000 no par value common shares. All assets of Gachin Gold Syndicate will be transferred to the new company, the name of which has not yet been determined.

The formation of the company to succeed Gachin Gold Syndicate is in accordance with the terms of the syndicate agreement made in December, 1932.

Under the terms of this agreement, on formation of the company, each unit holder of Gachin Gold Syndicate will receive one share of preferred stock and one common share.

Half Share to Managers

For every outstanding unit, the managers of the syndicate, who are J. J. Carrick Ltd., will receive one-half a common stock.

A "statement of affairs" distributed at the meeting reveals that the syndicate has, as at July 31, 1935, 16,045 units outstanding, including 500 units issued to the vendors of the property.

Since J. J. Carrick Ltd. is to receive one-half a common share for every outstanding unit, the new company will have outstanding 16,045 of its 200,000 preference shares, and 24,067 of its common stock.

For every outstanding syndicate unit, with the exception of the 500 issued to J. J. Carrick Ltd. for properties, J. J. Carrick Ltd. received 25 per cent of the sale price or $2.50, making a total of $38,862.

Now that the company is to be formed, J. J. Carrick will receive a total of about 8,022 shares of common stock. In addition, J. J. Carrick Ltd. will receive one-half share of common stock for each preference share sold, if the new directors see fit to sell additional stock.

No income and surplus account was supplied at the meeting, but investments on the audited "statement of affairs" showed investments in dividend paying mining stocks valued at cost at $123,765. Cash in the bank amounted to $6,101.

Dividends received from investments and profits re sale of investments are shown at $37,819. Dividends paid as at that date totalled $20,958.

The board of directors appointed to manage the affairs of the proposed company are as follows: J. J. Carrick, A. M. Harnwell, W. J. Holford, S. A. Morrison, B. O. Jones.

B.R.X. Gold Mines Shows $31,559 Working Capital

Working capital of $31,559 is shown by the balance sheet of B. R. X. Gold Mines as at June 30 last. Current assets are shown at $34,808 and current liabilities at $3,249.

In a letter to shareholders, S. R. Smith, general manager, reviews development. Initial development was carried forward on the California vein, but operations failed to reveal commercial ore and work was temporarily suspended in this section in favor of a large quartz-porphyry zone in the lower part of the property.

Work in the quartz-porphyry section was commenced March 1 last with its first objective 2,000 feet in from the portal of the crosscut on the Arizona claim. On May 6 the heading was in 1,100 feet, when a general strike necessitated cessation of mining operations.

The strike interval was utilized to carry out further diamond drilling with the result that 600 feet beyond the crosscut heading a vein of approximately five feet width assaying .235 ounces gold to the ton was intersected.

Work on the crosscut to test this showing was resumed on July 10 and is now in a distance of 1,300 feet. Progress is at the rate of 10 feet per day.

New Set of Maps Covers Athabasca

With four other maps previously issued, the Topographical and Air Survey Bureau, Department of Interior, has now ready for public distribution a fairly complete set of seven maps covering the new Lake Athabaska area in Northern Saskatchewan, which has sprung into prominence as a potential mining area in recent months. The three new maps just issued, entitled Tazin Lake, Fond du Lac and Stony Rapids, cover the greater part of the territory surrounding the lake.

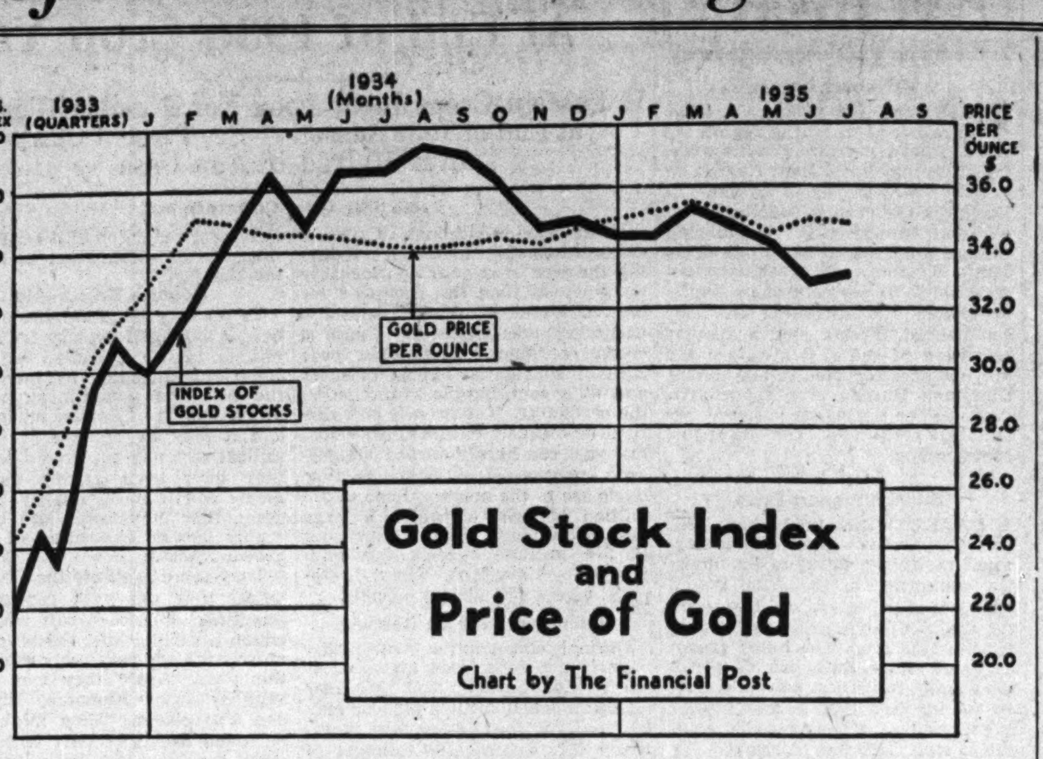
The area north of Lake Athabaska is attracting considerable attention among mining men, as rather spectacular discoveries of gold have been reported in several localities, and many claims have been staked in the main area. One centres on Beaverlodge Lake.

The new maps provide information regarding trails and portages, rapids and falls, marshes, bogs and open muskeg country, woods and elevations. They may be obtained at 25 cents a copy on application to the Surveyor General at Ottawa.

Manitoba Basin Joins Lake Athabasca Rush

Joining the rush to the new Lake Athabasca gold field, Manitoba Basin Mining Co. has acquired recently two groups of claims, comprising in all fifteen claims, some three miles west of Consolidated Smelters property. No exploration has as yet been performed but the management have planned to send in a crew this year to carry on a programme of surface exploration.

On the property acquired at Hutchinson Lake, three miles north of Geraldton, Ont., the necessary assessment work has been completed and further exploration of this group is planned later. At the present time, development work is being concentrated on the group of eight claims in the Camsell River section of Great Bear Lake.



Gold Stock Index and Price of Gold

Chart by The Financial Post

At the Mines

Austin Rouyn Gold Mines—It is officially reported that surface exploration at this company's property has resulted in exposing several important gold bearing veins which will be explored at depth following the completion of the present shaft-sinking programme. Test pits have been sunk at intervals, showing good mineralization and persistence of ore.

• • •

Beattie Gold Mines—A new mill unit to be complete in a few weeks will bring the mill capacity to around 1,400 tons per day at this Ventures operated producer.

• • •

Big Missouri Mines Corp. — Has called a special general meeting of shareholders in Montreal on September 5 to consider several by-laws, one of which gives power to the directors to extend the life of an option in favor of Messrs. Messmore, Kendall, Rainville and syndicate for a period not exceeding one year after December 31, 1935.

• • •

Falconbridge Nickel Mines — Has signed a contract with the Hydro-Electric Power Commission calling for delivery on November 1, 1935, of 4,000 h.p. at 60-cycles and 5,000 h.p. at 25-cycles with the right to increase the 25-cycle supply to 60,000 h.p. Standard rate of 32.50 per h.p. up to 5,000 h.p. and $22.50 per h.p. up to 10,000 h.p. per annum will apply.

• • •

Guelph Mining and Development Co.—Diamond drilling of this company's property in the Michipicoten area is under way under the direction of D. S. Baird, consulting engineer. This property is one of the earliest stakings in the Michipicoten area and is located in the active sector around Parkhill, Darwin, Smith and Milmac properties.

• • •

Lake Shore Mines — Has changed the record date of the dividend to be paid on September 15 to September 3, owing to the fact that Labor Day occurs September 2, the Toronto Stock Exchange has announced.

• • •

McKenzie Red Lake Gold Mines—July production at this property amounted to $66,411 obtained from the treatment of 3,600 tons, W. G. Armstrong, president, informs The Financial Post. Drifting is continuing on the 350-ft. level where, as reported in last week's Post, a new vein had been revealed for 150 feet with values averaging .4 ounces gold over a width of 3½ feet.

• • •

Minto Gold Mines — Tonnage treated at this company's mill in the Michipicoten area from its Jubilee property has been stepped up to around 105 and 110 tons daily, the largest tonnage yet handled by the mill. Development is proceeding on the Cooper claims, which are several miles removed from the company's main properties. Plans call for the installation of a small mill on this property late in the year.

• • •

Muton Long Lac Gold Mines—A special general meeting of shareholders of Muton Long Lac Gold Mines held this week ratified a proposal to purchase a property known as the Aronek Gold Syndicate, located in the Kenora district. The company is negotiating with financial interests for the sale of sufficient treasury stock to finance development of this property.

• • •

Nortrac Mining Co. Ltd. — The company reports that the two-compartment shaft is down to a depth of 110 feet and is in ore all the way. Drifting on the 100-ft. level has commenced. Operations are under the direction of Rosco Development Co. which is also providing finances.

• • •

Paymaster Consolidated Mines — Production for July has been valued at $44,535 from the milling of 6,240 tons of ore. This compares with June production valued at $49,655 from the milling of 6,745 tons.

• • •

Peterson Cobalt Mines—Announce that the installment due August 4, extended from July 4, has again been extended to September 4, 1935, under the option agreement dated April 4.

• • •

Powell Rouyn—Will resume operations very shortly on its property adjoining Noranda Mines on the north, it is reported. It is understood that the necessary funds will come from the New York group.

• • •

Sullivan Consolidated Mines — A new three compartment shaft, to expedite developments with a view to increasing production, will be sunk on this property, Pierre Beauchemin, president, has announced.

OIL MEN ANXIOUS TO LEARN POLICY OF SOCIAL CREDIT

May Take Steps to Ensure Representation of Industry

From Our Own Correspondent

CALGARY.—With a Social Credit government, headed by William Aberhart, in power in Alberta, oil operators and others associated with the oil and gas industry in the province are waiting anxiously to see what policy the new government will adopt with regard to the development of this natural resource.

During the last few years of the United Farmers of Alberta regime, leading independent oil operators have voiced bitter complaints concerning the regulations enforced by that government respecting drilling operations and the heavy taxation imposed upon the oil industry. Whether an easing-off of the oil field regulations coupled with a decrease in taxation can be expected from a Social Credit government is a question yet to be answered. The industry is also anxious to learn the policy of the government regarding gas conservation in Turner Valley.

No member of the new legislature has been directly associated with the oil industry. O. G. Devenish, oil operator, was one of the few Social Credit candidates to be defeated, having failed to receive sufficient support in the Calgary constituency.

May Run Again

It was an open secret during the campaign that Mr. Devenish was slated to the appointment of minister of lands and mines in the event of a Social Credit victory and it is considered possible that a seat will be found for him in a rural riding so that he may be given this cabinet post.

In view of this possibility, oil men derive some consolation from answers to a questionnaire submitted by the Oil and Gas Association of Alberta to Mr. Devenish just before the election. Before answering the questions, Mr. Devenish said he was speaking "with authority," thereby indicating that he had been in conference with Mr. Aberhart.

Following are the questions submitted and the answers by Mr. Devenish:—

"Are you in favor of the ten per cent royalty now imposed by the provincial government being reduced?" Answer:—"No, but I am not in favor of it being increased."

"Are you in favor of allowing drilling credits to apply as rentals on any lands within the province?" Answer:—"Yes, with limitations."

"Would you be in favor of refunding to the producer three cents per gallon or any amount of the seven cents per gallon tax imposed by the provincial government?" Answer:—"All money from gasoline taxation should be used for highway purposes."

Would Open Government Lands

"Is it your intention to support a programme providing for expenditure on roads of all money raised from the tax on gasoline?" Answer:—"Yes."

"Do you favor elimination of all government royalty in connection with the first well drilled for proving a structure?" Answer:—"Yes."

"Would you favor the principle of making all government lands available to the public for filing and thus stimulate interest in oil development?" Answer:—"Yes."

Mr. Devenish promised that oil men would be called into a conference to discuss the proposal to allow Turner Valley producers who did not market their gas to the gas company the sum of two cents a thousand cubic ft. for their waste gas, the cost to be borne by the gas company and the consumers.

Ore Receipts at Trail Amount to 9,706 Tons

Ore and concentrate receipts at the Trail smelter of Consolidated Mining and Smelter Co. for the week ended August 21 totalled 9,706 tons. Of this amount, 311 tons was made up of concentrates and 9,109 tons came from the company's own mines. Ore shipments from other than company mines totalled 286 tons.

A detailed statement of receipts for the week is given below:

Name of Mine:	Tons
Arlington	40
Bay	98
Bell	49
Cliff	6
Good Hope	2
Granite	24
Meteor	17
Michaely Silver Lead	7
Olalla	5
Providence	7
Standard	31
Dentonia (concentrates)	64
Goodenough (concentrates)	66
Kootenay Belle (concentrates)	24
Mammoth (concentrates)	71
Meridian (concentrates)	42
Union (concentrates)	44
	597
Company's mines	9,109
Total	9,706

Nickel Claims Now in Demand

From Our Own Correspondent

SUDBURY.—Though much secrecy still prevails regarding the movements of the interests which are seeking entry into the nickel mining field in the Sudbury district, it is learned definitely that several properties in the region have been optioned, mostly from Sudbury holders. As far as known the agreements have been made by an agent, acting for the principals, who may be the newly formed British Nickel Corp., of London, Eng. There have been rumors that automotive companies of the United States are the interests behind the project, but little credence is placed in these reports.

The properties optioned so far consist of holdings in Denison township, in vicinity of the old Worthington mine of the former Mond Nickel Co., and in Blezard and Falconbridge townships. It is stated that no cash changed hands in the deals, but that the contracts call for payment next November. One of the Denison township purchases is said to be for the sum of $100,000.

Cut 'C' Ore Body At Central Pat From 500 Level

Central Patricia Gold Mines has cut the "C" ore shoot by diamond drilling from the 500-ft. level, approximately 175 ft. below this level, nine ft. averaging .55 ounces, Alan Cockeran, sec.-treas., tells The Financial Post. The "D" ore shoot on the 125-ft. level has been opened up for a length of 33 ft., averaging .6 ounces over drift width, the west face being still in ore.

Meanwhile the shaft on the Springer claim adjoining is now down 150 ft. and a station is being cut. Crosscutting and drifting will be carried on from this level.

While further work will be necessary before the importance of the known ore bodies east and west of the main shaft can be determined, the company is at present diamond drilling these areas and reports that sections of commercial grade ore have been indicated.

AMERICAN SMELTING TO REDEEM 5% BONDS

To Sell Issue of Five Per Cent Bonds to Insurance Companies

American Smelting & Refining Co. has announced that it will redeem all its outstanding five per cent first mortgage bonds, due 1947, aggregating $36,383,300 through the issue of lower coupon securities.

To provide the necessary funds for this purpose a new issue of first mortgage and first lien four per cent bonds aggregating $25 millions is to be sold privately to a group of five insurance companies. The new bonds will mature Oct. 1, 1950, but will be subject to redemption under terms which are deemed favorable to the company.

$5 Millions From Banks

Approximately $5 millions will be procured from several banks on serial notes which will be payable over a period of five years and the remainder of the funds will be taken from the treasury of the company. Under this plan payments through sinking fund will be deferred until Aug. 15, 1941, and the cash savings in that respect, in addition to the saving through the reduction in interest rate, will adequately provide for payments to be made to the banks on serial notes.

The appreciable reduction in the company's funded debt and the lower interest rate will benefit shareholders through increased earnings applicable to the three issues of capital stock.

Smith Cobalt Now on 450-ft. Level

The winze at the property of Smith Cobalt Mines, at Cross Lake, near Cobalt, has been deepened from the 400-ft. level to the 475-ft. level, with a level established at the 450-ft. horizon, A. K. Roberts, sec.-treas. of the company, states in a progress report. A crosscut has been driven to the north 250 feet and to the south 50 feet.

The report points out that in this area of Cobalt, most of the rich silver ore is found in the Keewatin underlying the conglomerate. The level is about 35 feet below the Keewatin conglomerate contact. It is reported that several small veins have been cut in the winze area.

GREENE STABELL COMMENCES WORK ON 500-FT. SHAFT

Shaft Located on Stabell Lake Gold Mines Property

Announcement is made in the annual report of Greene Stabell Mines that the projected new shaft has been located in the Stabell Lake Gold Mines property, which is under option to Greene Stabell, and that sinking has already commenced. Plans call for sinking to a depth of 500 ft. and 1,500 or more ft. of drifting and crosscutting. Decision to sink the shaft in Stabell Lake ground followed unfavorable results from diamond drilling in the northwest section of Greene Stabell property.

The future of Greene Stabell Mines is largely dependent upon the successful outcome of this programme, which is being financed by J. E. Hammell, the company's president. As a demonstration of his faith in the property he has guaranteed $100,000 for this work. The only security asked by Mr. Hammell is a note at six per cent, repayable out of future earnings.

In presenting the report, Mr. Hammell states that he still feels that the property "will come over in a big way." Drill intersections have been fair and on adjoining properties on both sides good success is being obtained in the granodiorite.

Production

C. S. Johnston, general manager, reports that in the year ended Dec. 31, 1934, the mill treated 22,307 tons of ore, from which was extracted 6,865.3 ounces of gold, and 257,464 pounds of copper. The average recovery per ton of ore milled had a value of $11.03. Experiments conducted early in the year improved bullion extraction. Overall extraction at the mill runs approximately 84 per cent. About 55 per cent of this amount is caught as amalgam or cyanide precipitate. The remaining gold is shipped to Noranda in the form of a copper concentrate.

During the year small extensions to the known ore body were found but no new ore body was located. Mill heads have been lower than anticipated due to the fact that the ore bodies were not continuous between levels. Between levels, Mr. Johnston states, there are definite lean zones and in order to mine the high grade it was necessary to go through this lean section with a consequent reduction in grade.

For details as to income and expenditure see under Company Reports on page 14.

Stadacona Rouyn Mines To Pour Mill Foundation

In a report to shareholders of Stadacona Rouyn Mines, Murray D. Kennedy, mine manager, indicates that mill foundations will be poured this autumn at the company's property. Roy Anderson, managing director, tells The Financial Post that the initial capacity of the mill will probably be 200 tons per day but will be so constructed that an increase in tonnage can be made rapidly and cheaply.

Since the last progress report, issued in January of this year, considerable work has been done on all four levels although no estimate of ore reserves is given. Officials attach special importance to the lateral work now being done on the 450- and 600-ft. level where, it is expected, the area will soon be encountered where No. 2 vein should widen out as on the 300-ft. level. Sampling to date has indicated somewhat higher average values on the 450-ft. level than on the 350-ft.

Electrical power, to supplant steam power, is ready to turn on any day, Mr. Anderson states, and will be in use as soon as some small but necessary equipment is delivered. At the present time there are about 70 men working on the property.

Granada Gold Gives Gamble More Time

Granada Gold Mines, Rouyn producer, informs the Toronto Stock Exchange that the company has granted an extension of 90 days from August 22, 1935, to the president, R. B. Gamble, in connection with his option to accept treasury shares at 30 cents per share in payment of further advances made by him in addition to those already liquidated by the issue of treasury shares.

Readers of The Financial Post will recall that in March of this year, when, following reorganization of the company, shareholders were offered 500,000 shares of the new capital stock at 30 cents a share, it was announced that liabilities of the company at that time stood at approximately $80,000, made up largely of money loaned to the company by the president in order to keep the mine in operation and continue development.

At that time it was announced the board proposed to request the president to take shares of the new stock at 30 cents per share in payment of his loan. Before doing so, however, the shares were offered to shareholders who subscribed to the number of 33,101 shares.

Astoria Rouyn Grants Extension on Option

Thirty days has been granted by Astoria Rouyn Mines on all payments under the option agreement dated June 8, this company informs the Toronto Stock Exchange.

This option was granted on one million shares, ten blocks of 100,000 shares each, ranging from 5 to 14 cents to be taken up every 30 days starting not later than August 7 to net the treasury $95,000. Under the extension therefore, the initial payment will become due September 6. 6.

Cobalt Silver Shipment

During July, 260.68 tons of silver ore and 254.63 tons of Cobalt ore were shipped from the Cobalt district. Nipissing Mines were the leading producers with 144.57 tons of silver ore and 216.78 tons of Cobalt ore. The silver ore was shipped to Canadian refineries while the Cobalt ore was shipped to Montreal. Average price of silver during the month was 68.21 cents per ounce.

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Mining Reports

Siscoe Gold Mines

As a result of higher operating costs and taxes and a larger provision for depreciation, net profit of Siscoe Gold Mines in the first six months of the current year declined to 10.9 cents per share from 12.4 cents per share in the first half of 1934. Profit in the three months ended June 30 amounted to 5.2 cents per share as compared with 5.7 cents per share in the first three months of the year.

Gross income increased by $93,636 to $1,131,921. Despite higher operating costs net earnings before depreciation and taxes were higher than in the corresponding period of 1934, amounting to $724,303 as against $684,849 in the 1934 period.

Provision for depreciation was increased from $39,450 in the first six months of last year to $59,245 in the first half of 1935.

Taxes, including bullion tax, which were not applicable in the first quarter of 1934, jumped from $71,572 to $161,833.

Comparative quarterly statements are shown below, along with the six months total:

Quarterly Earnings

	3 Mos. Ended Mar. 31 1935	3 Mos. Ended June 30 1935	6 Mos. Ended June 30 1935
	$	$	$
Gross income	565,048	566,873	1,131,921
Less: Op. costs	176,178	231,440	407,618
Net income	388,870	335,433	724,303
Less: Deprec.	23,819	35,426	59,245
Res. for taxes	100,212	61,621	161,833
Net profit	264,839	238,385	503,224
Earns. per Share and Divd. Record:			
Earned*	$0.057	$0.052	$0.109
Paid	.03+.03	0.05	0.11

*Based on 4,610,065 shares.

Canadian Malartic

Net profit of $30,533, equivalent to $0.9 cents per share, before depreciation and taxes, is reported by Canadian Malartic Gold Mines in an interim report covering the first three months of production.

Bullion valued at $91,053 was recovered from 12,783 tons of ore milled, the average recovery per ton being $7.12. This represents considerable improvement over the first two months when average recovery was estimated at $6.13 per ton. At that time, however, there was considerable gold tied up in the circuit.

Operating costs totalled $4.64 per ton of ore milled. Of this amount 35 cents per ton was for administrative and head office expense, $1.60 for stoping and $1.50 for milling. Mine development cost only 49 cents per ton. In this connection, it is pointed out by H. Whittingham, secretary, that the amount for exploration is insufficient, underground work having consisted chiefly of preparation for stoping. Adequate provision for exploration would have reduced the net operating profit considerably, he states.

Working capital of $62,242 is shown by the balance sheet as at July 31 last. Current assets total $84,397 and current liabilities $22,330.

Announcement is made in the report that the company's management has decided to order equipment for doubling the capacity of the mill and it is expected that the additional plant will be in full operation by the end of the year. In order to finance this expansion a small issue of treasury shares will be necessary, the secretary reports. As at July 31 there were 3,326,855 shares issued or to be issued of an authorized capitalization of 4,000,000 shares.

The results of the first three months of production are as follows:

Statement of Operations
Three Months Ended July 31, 1935

	$
Metal production	91,053
Less marketing charges	1,260
	89,793
Less Operating Costs:	
Mine development	5,100
Stoping	20,458
Milling	19,186
Mine office & supervision	5,070
Gen. exps. at mine	5,005
Admin. & head office exp.	4,488
Operating earnings	30,485
Add non-oper. revenue	48
Profit for period	30,553

Greene Stabell Mines

While operating profit of Greene Stabell Mines for the year ended Dec. 31, 1934, amounted to $44,959 a net loss of $1,310 is reported after depreciation and development write-offs.

Gold, silver and copper production has a value of $246,023, while mine operation and general expense totalled $189,043. Head office and administration expense amounted to $8,685 and interest and exchange $3,337.

Expenditures to the amount of $36,966, representing the cost of searching for new ore bodies are not charged to operations, but are carried forward to development account, which now stands at $316,340 after deduction of $22,307 written off during the year.

Working capital is shown at $63,458, current assets totalling $85,810 and current liabilities $22,352. The latter, however, is exclusive of loans of $50,000 from Harker Gold Mines and $15,000 from J. E. Hammell, president. If these are included as current liabilities, working capital account shows a deficit of $1,542.

Development Expenditures
Year Ended Dec. 31, 1934

	$
Drilling & blasting	17,960
Timbering	1,108
Pumping	669
Steel sharpening	2,921
Mucking and tramming	5,075
Diamond drilling	7,467
Hoist repairs	1,121
Drill repairs	359
Miscellaneous	286
	36,966

Profit and Loss Account
Year Ended Dec. 31, 1934

	$
Income	246,024
Less: Mine oper. & gen.	189,042
Head office admin.	8,686
Int. & exchange	3,337
Oper. profit	44,959
Less: Depreciation	*23,962
Devel. costs w/o	†22,307
Net loss for year	1,310

*At the rate of 10 per cent on buildings and 15 per cent on machinery and equipment.

†Pre-production and development costs written off on basis on $1 per ton milled during year.

Hudson Patricia Gets Encouraging Results

Steady encouragement is being met with in the east drift on the 325-ft. level of Hudson-Patricia Gold Mines, according to latest advice from J. M. Thompson, mine manager. Values of around $10.50 per ton have been obtained over fair widths, while lower values have been obtained in a number of cases over considerably greater widths. In the west drift on the same level, the main vein has been located.

Work is being continued in the east drift, The Financial Post is informed, and diamond drilling of the "B" oreshoot is being completed to the 450-ft. horizon. A third intersection of this oreshoot was recently obtained.

Diamond drilling of the "A" oreshoot is also being carried out. Flat holes are being drilled from the 200-ft. level in the east zone to test ore possibilities. At the same time a series of flat holes is being drilled from surface in order to check previous findings.

Stanley Siscoe Forms New Quebec Company

Siscoe Extension Gold Mines Ltd. has been incorporated with a Quebec charter to acquire the assets of Stanley Siscoe Extension Gold Mines, shareholders of the latter company having authorized the sale of its assets to the new company at a recent meeting.

The new company is to have an authorized capitalization of 3,000,000 shares, par $1. Under the terms of the agreement of sale 1,000,000 shares of the new company will be issued to Stanley Siscoe Extension Gold Mines, shareholders of the latter company receiving one new share for each three held.

It is stated that officials are making headway in negotiations with interests in Paris, France for finances.

Primary Iron Sales

Factory sales of pig iron, steel, ferro-alloys and rolled products were 57 per cent higher in 1934 than in 1933, the values being $29,101,463 and $18,492,549, respectively. The 22 works in Ontario reported sales at $18,037,559 or 62 per cent of the total for Canada, 6 works in Nova Scotia $6,701,638 or 23 per cent, and 14 plants in Quebec $3,343,686 or 12 per cent. There were also 4 operating plants in Manitoba, 2 in Alberta and 4 in British Columbia.

Grab Samples from N. W. Ont.

From Our Own Correspondent

GERALDTON, Ont.—Road construction in the adjacent mining areas continues to emphasize the position of Geraldton as the fastest-growing and most important new mining settlement in northwestern Ontario. Work has now been started on a new branch road which will connect Bankfield Gold Mines to the Canadian National Railways at Geraldton.

The road is already in use from Geraldton to Little Long Lac Gold Mines and Hardrock Gold Mines. The road to Bankfield will turn off westward from a point a short distance south of the Little Long Lac property, skirting the northwest arm of the lake on the south side. En route to its terminal at Bankfield the road will serve Long Lac Lagoon Gold, Longacre Long Lac, Magnet Lake and Wells-Long Lac. Extensions, if made, would serve the T. A. Johnson, Jellicoe Gold Mining Co. and White Horse Gold Mines.

* * *

Hutchison Lake Gold

Considerable exploratory activity is in evidence in the Hutchison Lake area, lying a few miles to the north of the Canadian National Railways and between the Little Long Lac and Sturgeon River fields. The original discoveries in the area are credited to George Papineau and are now held by a newly formed company, Hutchison Lake Gold Mines. Several other developing groups are also in the field.

Two main veins have been opened up on Hutchison Lake Gold Mines, and results have been sufficiently interesting that a drill programme is proposed for the fall. A road for transport of the equipment is now being cut. One of the veins has been trenched for over 200 ft., showing widths of 6 to 12 inches. A second vein occurs in the same shearing zone, which is about 12 ft. wide.

The claims of the Universal Exploration Syndicate, close by, have been purchased by New York interests who plan to form a company to develop the property. In the Universal block there are nine claims, and two veins are reported opened, one of which is stated to show gold values on the explored length of 600 ft.

Lac-Teck Gold Mines, is also busy in the same vicinity.

* * *

Swayze Not Discouraged

Though suffering a severe blow through closure of the leading operations, Kenty Gold Mines, and Halcrow-Swayze Gold Mines, local confidence in the Swayze gold area is far from dead, and The Financial Post learns that there is considerable prospecting under way in the field at this time.

Much of the ground staked in the vigorous boom of a few years back is being kept in good standing, and, though the promotional ballyhoo is quiescent, there are responsible companies investigating discoveries and some of these examinations have resulted in deals. One such is in Cunningham township, where an impressive vein has been disclosed in prospecting on a group of claims optioned to the Karl Springer Exploration Co. After the ground has frozen to allow better transport facilities a diamond drill will be taken in, according to official information.

Some interest is also being shown in the Horwood Lake section, somewhat to the north and east of the "Swayze field." Representatives of a large Canadian company and some U. S. operators are stated to be examining prospects there this week.

Injunction Halts Wylie Dominion Sale to Noranda

Something of a sensation was caused in western mining circles when directors of Wylie-Dominion Gold Mines, which holds a gold-silver prospect in The Pas district of Manitoba, were restrained by an injunction from calling a meeting of shareholders to ratify the sale of the company's property to Noranda Mines.

The injunction granted by Chief Justice MacDonald, of Winnipeg, will remain in force until the suit against directors, filed by the prospectors of the property and company shareholders, is heard. The statement of claims in the suit charges that $157,616 obtained from the sale of stock by Capital Interests Ltd. has never been paid into the company treasury, that stock was unlawfully issued, and that directors were unlawfully elected.

On the other hand, directors of the company claim that so far from Capital Interests owing the company money, the company owes Capital Interests. They also point out that a shaft has been sunk to a depth of 250 ft. on the property and that improvements and development work already done has absorbed more than a quarter of a million dollars.

London Financial Men Visit Colorado Mine

On his return from a trip to Cripple Creek, Colorado, where he inspected the War Eagle Mine of Cripple Creek Mining & Milling Co., C. L. Duesling who, with his associate, H. A. Tanton, both of London, Ont., are handling some of the stock issue of the company inform The Financial Post that the two-compartment shaft on the property is now down about 300 ft. with levels established on the 100-, 200- and 300-ft. horizon. A lateral tunnel has been driven into the mountain side a distance of 125 ft., starting 75 ft. from the shaft. The old shaft has been reconditioned and retimbered.

The new customs mill, being put up by Judge Owne, of Denver, and private capital, to which, it is planned, Cripple Creek will ship its ore, is half a mile from the War Eagle Mine, and not 15, as previously reported. The milling at the customs mill will be on a percentage basis, beginning with 10 per cent on $20 to $25 ore, and decreasing with higher run-of-the-mill ore values. The customs mill will be capable of handling 400 tons per day, and will be added to unit by unit as needed.

CAN. WIRE & CABLE OPERATIONS GAIN IN CURRENT YEAR

Second Quarter Best in Three Years — Mining Activity Helps

More active operations are reported of Canada Wire and Cable Ltd., according to an official of the company. The second quarter, ending June 30, showed an improvement over the corresponding quarter for not only last year but for the previous three years, it is said.

Prospects for improved business are much better, it is understood, orders for the heavier lines manufactured being booked more frequently than has been the case for some time past.

Helped by Mining

Mining activity is largely credited for the improved business of the company with the radio and automobile industries also playing an important part.

The gradually increasing demand for both domestic and commercial power, amounting to approximately 20 per cent in the last two years, is expected to result in a demand by the public utility companies for equipment to increase their distribution system.

Canada Wire and Cable manufactures all types of copper wire and cables and in addition, makes steel rope and cables, For the year ended December 31, 1934, the company earned 22 cents per share on its preferred stock as compared with 14 cents in 1933 and nothing at all in 1932. Previous to 1932 earnings were on a much larger scale some $9.40 being earned per share in 1931 and $22.86 in 1930. No dividends have been paid on the 6½ per cent cumulative preferred stock since December, 1932. Arrears at the end of last year amounted to $13 per share.

WOULD RECAPITALIZE PROFESSIONAL BLDG.

Bondholders Meet Sept. 18 to Consider Formation of New Firm

Holders of seven per cent first mortgage bonds of Professional Offices Ltd., Toronto, meet Sept. 18 at Toronto to consider a plan of reorganization of capital. The company owns and operates the "Physicians and Surgeons Building," Toronto. Interest on the company's bonds is 2½ years in arrears.

The reorganization plan contemplates acquisition of all common stock in a new company by present bondholders. The bond issue amounts to $223,500. It is proposed to issue two shares of common stock in a new company for each $250 of bonds. This would cause issue of 894 common shares which would hold control of the new company.

It is proposed to give to holders of preferred stock in the present company preferred shares for $201,500 in the new firm. This would be six per cent stock. Dividends on it would not become cumulative until bonds were reduced to at least $100,000. The new preference shares would have no vote unless cumulative dividends were two years in arrears.

If and when the reorganization is approved, the trustee for the bondholders is authorized to release the present company from its trust deed. Some $10,000 cash would be released to the new company which would then pay off all current and mortgage liabilities.

LOWER EARNINGS FIRST 6 MONTHS FOR ZIMMERKNIT

Dividends Deferred Until March — Is Seasonal Business

Earnings for the first half of 1935 for Zimmerknit Company are understood to be less than the amount required to pay the $3.50 semi-annual dividend on the 7 per cent preferred shares. It is reported, however, that sales and working capital of the company have been maintained during this period.

Dividend Deferred

Directors have decided to defer the dividend which would ordinarily be paid Sept. 1 until March, 1936. By then results of the 1935 operations will be known.

Last year the company earned $8.44 per share on the preferred as compared wth $14.30 in 1933. In Sept. 1934, the first semi-annual dividend on the $250,000, $100 par value preferred shares was paid.

Business of Zimmerknit and similar companies, it is understood, is seasonal in character and may vary considerably from month to month depending on weather and fashions. Added to this in recent years has been a very wide fluctuation in raw material prices and general uncertainty as to the future cotton policy of the United States Government.

Sudbury Payrolls

An industrial and payroll analysis of the Sudbury Industrial Area, shows 10,200 adults gainfully employed out of population estimated at 32,500, with a monthly payroll distribution of $1,307,281.

Mining Stock Quotations

Week Ending August 26.

Par Val.	Range 1935 High	Range 1935 Low	Company	Sales	Close Aug. 19 (or last)	High for week	Low for week	Close Aug. 26
1	.74	.38	Afton	51,800	.67	.67	.57	.60
No	.11	.04	Aldermac	14,900	.07	.08½	.08	.08
1	.02½	.01	Alexandria	2,500	.01½	.01	.01	.01
No	.57	.40	Algold	500	.45	.42	.42	.42
No	.08½	.02½	Algoma	......	.03½	.....	.....	.....
No	4.50	3.70	Anglo-Huronian	852	3.92	4.00	3.90	3.91
No	.04	.01½	Arno	......	.02½	.....	.....	.....
1	.32	.09	Ashley	500	.09	.07½	.07½	.07½
1	.08	.02½	Astoria Rouyn	3,000	.02½	.03½	.03½	.03½
1	.14	.03	Bagamac	26,100	.05½	.05½	.04½	.04½
1	.08	.02½	Barry Hollinger	9,500	.03½	.04	.03½	.03½
1	.94	.39	Base Metals	199,056	.59	.71	.61	.62
1	1.05	.14	B.E.A.R.	201,600	.94½	1.05	.90	1.03
No	2.16	1.27	Beattie Gold	2,500	1.70	1.65	1.45	1.45
1	.75	.30	Big Missouri	24,313	.63	.63	.60	.55
1	.38	.18	Bobjo	21,350	.19	.20	.18	.19
No	12.50	4.30	Bralorne	715	5.15	5.00	4.85	4.85
1	.61	.20	Brazil Gold	17,810	.45	.50	.42	.50
1	.03	.01½	Brett Trethewey	8,000	.01½	.02½	.01½	.02½
50c.	.24	.07	Bridge River Ex.	8,100	.09	.09	.08½	.08½
1	.03	.01	Brownlee	11,500	.01½	.01½	.01½	.01½
1	3.50	2.40	Buffalo Ankerite	7,275	2.60	2.65	2.40	2.50
No	.03½	.01	Buffalo Can.	3,000	.01½	.01½	.01	.01½
5	38.15	33.75	Bulolo Gold	600	34.50	34.25	34.00	34.00
No	.07½	.03	Bunker Hill	19,150	.06½	.08½	.07	.07
1	.03½	.01	Can. Kirkland	16,500	.02	.01½	.01½	.01½
No	.75	.54	Can. Marlartic	14,350	.59	.60	.56	.60
1	1.50	.95	Cariboo Gold	300	1.18	1.10	1.10	1.10
1	.05½	.02	Cartier Malartic	2,000	.02	.02	.02	.02
1	1.34	.55	Castle Trethewey	24,495	.90	.91	.85	.90
1	.07½	.02½	Cen. Manitoba	3,000	.04	.04	.03½	.03½
1	1.79	1.12	Cen. Patricia	64,585	1.71	1.69	1.50	1.63
No	.27	.08	Chibougamau Pros	89,900	.15	.16	.12½	.15½
No	.06½	.03	Church M. & Mill	500	.04½	.04½	.04½	.04½
No	.08	.02	Clericy	17,550	.04½	.04½	.03½	.03½
5	3.25	1.50	Coast Copper	1,730	2.50	3.10	2.70	2.70
1	.08	.01½	Cobalt Contact	13,300	.01½	.01½	.01½	.01½
No	.15	.02½	Columario	......	.02½	.....	.....	.....
5	3.60	2.25	Coniagas	......	2.50	.....	.....	.....
No	2.60	1.35	Coniaurum	1,625	1.89	1.89	1.80	1.80
25	184.75	125.50	Cons. Smelters	2,793	169.00	174.50	164.00	170.50
No	44.00	34.50	Dome Mines	2,095	37.00	38.75	36.25	38.75
1	.10	.04	Dom. Explorers	1,000	.04½	.05	.05	.05
1	.17½	.08½	Duparquet	12,750	.09½	.10	.09	.09½
1	2.93	1.02	Eldorado	28,110	1.58	1.57	1.43	1.45
No	4.10	3.25	Falconbridge	21,601	4.05	4.40	4.05	4.35
1	.04½	.02	Federal	1,000	.02	.02½	.02½	.02½
No	.16½	.05	Francoeur Gold	1,000	.12	.09	.09	.09
1	.40	.30	Franklin Gold	45,100	.35½	.36	.30	.31½
1	.45	.09	Gabrielle	100	.11½	.11½	.11½	.11½
No	.03½	.01½	Gilbec	5,000	.01½	.01½	.01½	.01½
No	2.24	1.24	God's Lake	43,724	1.58	1.57	1.36	1.45
1	.20	.11	Goldale	3,000	.11½	.11½	.11½	.11½
50c.	.46	.25	Gold Belt	1,500	.25	.30	.25	.25
10	.19	.10	Goldfield	......	.14	.....	.....	.....
1	.15	.04	Goodfish	2,550	.08	.07½	.07	.07
1	.07	.02	Graham Bosquet	......	.03	.....	.....	.....
1	.40	.17	Granada Gold	16,082	.22	.22½	.21	.21
No	.12	.05½	Grandora	900	.06	.06½	.06½	.06½
1	.45	.17	Greene Stabell	7,000	.20½	.20½	.18½	.20½
1	.05	.02½	Grozelle	......	.02½	.....	.....	.....
1	.10	.04½	Grull Wihksne	......	.04½	.....	.....	.....
1	.97	.48	Gunnar Gold	54,700	.77	.78	.67	.72
1	.08½	.02	Halcrow Swayze	3,000	.02	.02½	.02	.02
1	.10	.04	Harker	145,000	.05	.05½	.04½	.05
5	20.25	12.55	Hollinger	9,921	13.60	13.50	12.55	12.65
1	1.10	.65	Howey Gold	10,585	.75	.75	.68	.70
No	16.00	11.60	Hudson Bay	2,956	15.37	15.75	14.75	15.25
1	15.35	11.95	Inter. Mining	100	13.10	12.50	12.50	12.50
1	6.50	5.00	Do., Pur. Warr.	......	5.00	.....	.....	.....
No	29.25	22.25	Int. Nickel	18,229	28.62	29.25	28.50	29.12
100	130.75	125.00	Do., pref.	......	125.00	.....	.....	.....
1	.20	.11	J. M. Cons. Gold	35,580	.14	.14½	.12	.12½
1	.75	.53	Kerr Lake	346	.55	.55	.45	.55
1	.31	.20	Kirk. Hud. Bay	5,600	.23	.30	.22	.30
1	.01½	.00½	Kirk. Hunton	......	.00½	.....	.....	.....
1	.65	.33½	Kirkland Lake	18,250	.36	.36	.34½	.35
1	.33½	.12½	Kirk. Townsite	1,000	.13	.15	.14½	.14½
No	.07	.02½	Lake Maron	2,000	.03	.02½	.02½	.02½
1	58.00	47.25	Lake Shore	3,829	50.00	50.00	47.25	48.65
1	.08	.02½	Lamaque Contact	500	.02½	.02½	.02½	.02½
1	.09½	.03½	Lebel Oro	19,000	.04	.04	.03½	.03½
1	.08	.02½	Lee Gold	26,100	.03½	.03½	.03	.03
No	7.25	4.15	Little Long Lac	11,560	5.00	5.00	4.45	4.50
1	2.75	1.31	Macassa	40,600	1.38	1.66	1.35	1.66
1	.03	.00½	Malrobic	......	.00½	.....	.....	.....
No	.10	.05½	Mandy	680	.07	.12	.08½	.10
No	.12½	.03	Man. & Eastern	3,500	.05½	.05½	.05½	.05½
1	.14	.03	Maple Leaf	17,000	.03½	.03½	.03½	.03½
5	46.00	36.25	McIntyre	2,610	37.00	37.40	34.85	36.75
1	1.45	1.06	McKenzie R.L.	20,300	1.24	1.24	1.12	1.15
1	.70	.40	McKinley	250	.40	.40	.40	.40
1	.46½	.07½	McMillan	13,900	.09½	.10	.09	.10
No	2.15	.45	McWatters	58,100	1.62	1.60	1.45	1.60
1	.40	.10	McVittie	9,600	.15	.15½	.12	.13
No	1.50	.85	Mining Corp.	1,950	1.32	1.32	1.30	1.30
No	.21	.07½	Minto Mines	......	.08	.....	.....	.....
1	.04	.01	Moffatt Hall	6,000	.01½	.01½	.01½	.01½
1	.16	.09	Moneta	6,000	.13	.11	.09	.10
1	.74	.49	Morris Kirk	12,300	.72	.73	.67½	.70
1	.01½	.00½	Murphy	......	.00½	.....	.....	.....
No	.04	.01½	Newbec	37,000	.01½	.03	.02	.02½
1	.04½	.00½	Night-Hawk Penn.	......	.01	.....	.....	.....
5	2.95	2.10	Nipissing	2,500	2.20	2.35	2.15	2.25
No	43.00	31.00	Noranda	11,497	38.25	40.00	38.25	39.00
No	.31	.16	Nor. Canada	3,500	.19	.24	.20	.20
1	.75	.30	O'Brien	2,000	.38	.40	.36	.37
1	.10	.04	Osisko	500	.04	.05	.05	.05
1	.32	.18	Parkhill	13,080	.20	.21	.18½	.20
1	.04½	.01	Pawnee Kirk.	17,500	.02	.02½	.02	.02½
1	.30½	.16	Paymaster	35,375	.25	.25	.23	.24
1	.84	.40	Pend Oreille	16,045	.71	.75	.70	.70
1	.83	.55	Perron Gold	4,300	.64	.64	.60	.60
1	.09½	.01½	Peterson Cobalt	13,000	.03½	.03½	.03½	.03½
1	2.96	2.10	Pickle Crow	42,195	2.63	2.65	2.31	2.46
1	12.25	9.00	Pioneer Gold B.C.	710	9.75	9.60	9.40	9.40
1	.06	.03	Porcupine Crown	37,500	.05	.05	.04	.04½
1	.01½	.00½	Potter Doal	......	.01	.....	.....	.....
1	2.05	1.36	Premier Gold	11,748	1.45	1.47	1.36	1.43
1	.02½	.01	Preston E. Dome	19,100	.01½	.01½	.01½	.01½
No	3.05	1.25	Prospectors Air's.	3,520	1.75	2.10	1.60	2.10
1	.80	.09½	Quebec Gold	200	.60	.60	.60	.60
No	.15	.02½	Quemont	......	.03	.....	.....	.....
1	.98	.55	Read Authier	3,740	.84	.85	.83	.83
No	.41	.25½	Red Lake	15,000	.30	.30	.25½	.28
1	1.67	1.02	Reno Gold	32,325	1.02	1.00	.80½	.90
1	.00½	.00½	Ribago	......	.00½	.....	.....	.....
1	.02½	.00½	Ritchie	6,500	.01½	.01½	.01½	.01½
1	.04½	.02	Robb Montbray	156,630	.02½	.04	.02½	.03½
1	.10½	.04½	Roche Long Lac	15,200	.06	.06	.05	.05½
1	5.20	3.10	San Antonio	9,488	3.38	3.45	3.15	3.20
50c.	1.25	.54	Sheep Creek	100	1.00	.98	.98	.98
1	1.00	.45	Sherritt Gordon	91,024	.78	.87	.74	.78
1	3.29	2.49	Siscoe	26,586	2.67	2.65	2.58	2.58
1	4.60	3.30	South Amer. Gold	1,050	3.75	3.80	3.40	3.80
No	.15	.03	South Tiblemont	5,000	.03½	.03½	.03	.03
No	.32	.13½	Stadacona	146,400	.23	.22½	.21	.21
1	.39	.14½	St. Anthony	6,300	.19½	.19½	.17	.19
No	1.62	1.25	Sudbury Basin	14,045	1.53	1.65	1.53	1.57
1	.11	.05	Sudbury Contact	3,500	.05	.06½	.05½	.05½
1	.07½	.03	Sudbury Mines	12,500	.05	.05	.04½	.04½
1	.89	.35	Sullivan Cons.	19,370	.82	.82	.76	.76
1	2.70	2.00	Sylvanite	14,655	2.15	2.15	2.02	2.15
1	.67	.28	Tashota Gold	12,000	.31	.36	.30	.31
1	4.70	3.67	Teck Hughes	29,865	3.90	4.06	3.77	4.05
1	.02½	.01	Timiskaming	......	.01	.....	.....	.....
1	1.45	1.05	Toburn Gold	1,850	1.07	1.07	.95	1.02
1	.30½	.10	Towagmac	4,600	.17	.19	.17	.19
1	.30	.10	Treadwell	100	.30	.25	.25	.25
No	.01½	.00½	Vacuum Gas	......	.00½	.....	.....	.....
No	.32	.02	Vanson Man.	500	.02	.03	.03	.03
No	1.07	.80	Ventures	25,735	.94	.98	.93½	.96
No	.90	.45	Waite Amulet	6,972	.65	.74	.69	.69
50c.	.24½	.07	Wayside	15,600	.12½	.12½	.11½	.11½
No	.10½	.01½	White Eagle	4,000	.01½	.01½	.01½	.01½
1	.07	.03	Wiltsey Coughlan	3,500	.04	.03	.03	.03
1	.07½	.03½	Wood Kirkland	8,000	.06½	.07	.06	.06
No	9.90	7.20	Wright-Hargreaves	6,725	7.25	7.45	6.90	7.35
No	.85	.26	Ymir Yankee	4,100	.33	.31½	.31	.31

OIL STOCKS

Par Val.	Range 1935 High	Range 1935 Low	Company	Sales	Close Aug. 19 (or last)	High for week	Low for week	Close Aug. 26
No	.26	.17½	Acme Gas & Oil	7,350	.19	.19	.19	.19
1	1.09	.50	Ajax	600	.58	.58	.51	.51
No	.85	.49	Calgary & Ed.	6,250	.60	.60	.55	.60
1	.06	.04	Calmont	1,000	.05	.05½	.05½	.05½
No	.05½	.03½	Common Pete.	2,000	.03½	.04	.04	.04
No	.38	.18	Dalhousie	2,440	.25	.25	.23	.23
No	.12	.05	East Crest	4,000	.08	.07	.07	.07
No	.21	.04½	Erie Gas	......	.04½	.....	.....	.....
No	.35	.08	Foothills	......	.30	.....	.....	.....
No	.80	.50	Home	2,905	.55	.57	.50	.50
1	.14	.05	Homestead O. & G.	500	.05	.05½	.05½	.05½
No	.13½	.07	Lowery	1,500	.08½	.07½	.07½	.07½
No	.27	.16	Merland	1,500	.16½	.16½	.16½	.16½
1	.28	.18	Model	600	.23	.24	.21	.21
5	.17	.03	Nordon	51,700	.13½	.17	.14	.16
No	.07	.03½	Oil Selections	6,500	.04½	.04½	.03½	.03½
No	.06½	.03	Olga Gas & Oil	5,000	.04	.04	.04	.04
1	.65	.40	Petrol Oil & Gas	......	.60	.....	.....	.....
No	27.00	18.00	Royalite	3,675	24.75	25.00	20.60	20.60
No	.12	.04	South West Pete.	......	.04	.....	.....	.....
No	.95	.55	Texas Can.	9,738	.80	.83	.80	.82

VANCOUVER STOCK EXCHANGE

(Transaction for Week to Aug. 23)

Par Val.	Range 1935 High	Range 1935 Low	Company	Sales	Close Aug. 17 (or last)	High for week	Low for week	Close Aug. 23
1	.02½	.01½	Alexandria	1,000	.01½	.00½	.00½	.00½
25c.	.01½	.00½	Bayview	......	.00½	.....	.....	.....
20c.	.10½	.04½	Beaver Silver	2,000	.04½	.04½	.04½	.04½
25c.	.02½	.01	Bluebird	500	.01½	.01	.01	.01
No	12.25	4.40	Bralorne	3,905	5.05	5.05	4.85	4.85
1	.08½	.03	Bridge River Cons.	7,600	.03½	.03½	.03	.03
50c.	.24	.07½	Bridge River Exp.	12,800	.09	.09	.08½	.09
1	.55	.18	B.C. Nickel	23,000	.21½	.23	.21	.22
1	1.68	.90	B. C. Silver	100	1.50	1.50	1.50	1.50
10	43.00	43.00	Bunker H. Sullivan	......	43.00	.....	.....	.....
50c.	.10	.03	Canadian Rand	......	.03	.....	.....	.....
1	1.50	.95	Cariboo Gold	5,600	1.15	1.15	1.00	1.05
No	14.00	12.50	Coast Breweries	480	14.00	14.00	13.75	14.00
1	.54	.21	Congress Gold	18,650	.28	.30	.26	.27
1	.09	.03	Cotton Belt	1,000	.09	.09	.09	.09
25	.00½	.00½	Cork Province	......	.00½	.....	.....	.....
1	.01½	.01	Dalhousie Mines	......	.01	.....	.....	.....
No	.95	.23	Dentonia	12,500	.28	.28½	.26	.26½
No	.06½	.01	Dictator	......	.01	.....	.....	.....
1	.17	.03	Dunwell T.	......	.05½	.....	.....	.....
No	.16½	.01	Fairview Amal.	500	.06½	.05	.05	.05
50c.	.44	.28	Lawn Mining	......	.30	.....	.....	.....
1	.13	.05	Federal Gold	3,000	.10	.10	.07	.07
1	.20	.12	George Copper	......	.16½	.....	.....	.....
50c.	.07	.03	George Enterprise	......	.05	.....	.....	.....
1	.01	.00½	Georgia River	......	.00½	.....	.....	.....
50c.	.06½	.01	Glacier Creek	......	.01	.....	.....	.....
1	.42	.15	Golconda	9,000	.16	.19½	.17½	.19
50c.	.45½	.24	Gold Belt	10,300	.27	.28½	.25	.25
50c.	.19	.07	Gold Mountain	600	.10	.10	.08	.08½
50c.	.04½	.01½	Grandview	7,200	.02½	.03	.02	.02
No	.24	.01½	Grange Mines	13,500	.01½	.01½	.01½	.01½
1	.10	.04½	Grull Wihksne	3,500	.06	.06	.05	.06
No	.03	.03	Haida Gold	......	.03	.....	.....	.....
25	11.50	6.40	Hecla	......	9.85	.....	.....	.....
50c.	.26	.18	Hedley Amal.	2,300	.20	.20	.19	.19
No	.12	.04	Hedley Sterling	......	.06	.....	.....	.....
1	.02	.01	Hercules Cons.	......	.01	.....	.....	.....
No	.12½	.04	Home Gold	9,000	.04	.04	.04	.04
1	.01½	.00½	Independence	......	.00½	.....	.....	.....
1	.01	.01	Indian Mines	......	.01	.....	.....	.....
1	.20	.17	Inter'tl Coal	1,000	.20	.20	.20	.20
50c.	.98	.68	Island Mountain	23,025	.92	1.01	.95	1.00
50c.	.72	.33	Kootenay Belle	300	.35	.33	.33	.33
25c.	.01½	.00½	Koot. Florence	......	.00½	.....	.....	.....
1	.01½	.00½	Lakeview	......	.00½	.....	.....	.....
10c.	.04½	.02	Lucky Jim	......	.02	.....	.....	.....
No	.41	.07	Mak Siccar	3,000	.11	.10	.10	.10
50c.	.00½	.00½	Marmot Metals	......	.00½	.....	.....	.....
1	.21	.16	McGillivray Creek	......	.20	.....	.....	.....
10c.	.19	.03½	Meridian Min.	16,500	.04	.04½	.04	.04
No	.24½	.06	Minto Mines	16,750	.07	.07	.06½	.06½
50c.	.12½	.03½	Morning Star	6,700	.04½	.04½	.04	.04½
1	.02	.01	Morton Woolsey	......	.01	.....	.....	.....
50c.	.06½	.03	National Silver	5,000	.03½	.03½	.03½	.03½
50c.	.17	.05	Nicola	7,950	.10	.10	.09	.09
50c.	.16	.05½	Noble Five	16,400	.06	.06½	.06	.06
No	.09½	.02½	Pilot Gold	6,000	.02½	.02½	.02½	.02½
1	12.50	9.10	Pioneer Gold	845	10.00	10.00	9.40	9.50
50c.	.15	.05½	Porter Idaho	6,000	.05½	.06	.06	.06
No	.01	.00½	Premier Border	......	.00½	.....	.....	.....
1	.02½	.01½	Quatsino Copper	......	.02½	.....	.....	.....
No	.17	.09	Quesnell Quartz	1,000	.09	.08	.08	.08
No	.18	.10	Reeves McDonald	500	.10	.12	.12	.12
1	.39	.25	Relief Arlington	7,100	.33	.32	.30	.30
1	1.62	.81	Reno Gold	79,450	1.06	1.05	.81	.94
1	.04½	.02	Reward Mining	......	.02½	.....	.....	.....
1	.01½	.00½	Rufus Argenta	......	.01	.....	.....	.....
1	.05½	.01½	Ruth Hope	300	.02	.00½	.00½	.00½
1	.62	.18	Sally Mines	7,600	.21	.25	.21	.25
50c.	.18	.11	Salmon Gold	5,500	.11	.12	.10	.10
50c.	1.18	.55	Sheep Creek	15,950	1.00	1.01	.88	.88
1	.05	.02	Silverado	......	.02	.....	.....	.....
25c.	.02½	.00½	Silvercrest	19,000	.01	.01	.00½	.00½
20c.	.12	.01	Silversmith	5,000	.01½	.01½	.01½	.01½
50c.	.01½	.00½	Snowflake	......	.00½	.....	.....	.....
1	.75	.62	Standard Silver	500	.75	.64	.64	.64
10	23.75	11.45	Sunshine	......	22.50	.....	.....	.....
No	.32	.15	Taylor Bridge	3,400	.17	.18	.15½	.15½
1	.20½	.12	Taylor Windfall	300	.19	.14	.14	.14
5	.35	.20	Toric	......	.20	.....	.....	.....
50c.	.10	.03	United Empire	......	.04	.....	.....	.....
No	.61	.13	Vidette Gold	10,400	.26	.27	.25	.25
No	.06	.01	Viking Gold	......	.01	.....	.....	.....
No	.07½	.02	Waterloo Gold	......	.02	.....	.....	.....
25c.	.01½	.00½	Waverley Tangier	3,000	.00½	.00½	.00½	.00½
50c.	.23	.07½	Wayside	8,500	.12½	.13	.11½	.11½
20c.	.04	.01	Wellington	4,000	.01½	.01½	.01½	.01½
No	.09½	.03	White Eagle	......	.03	.....	.....	.....
1	.14	.04	Whitewater	3,400	.04½	.06	.05	.06
No	.83	.28	Ymir Yankee Girl	1,100	.31	.35	.31	.33

OIL STOCKS

Par Val.	Range 1935 High	Range 1935 Low	Company	Sales	Close Aug. 17 (or last)	High for week	Low for week	Close Aug. 23
1	.22	.06½	Amalgamated	1,700	.09	.08	.08	.08
1	.10½	.05½	Alta Pacific	......	.07	.....	.....	.....
1	.04	.01½	Anaconda	5,000	.01½	.01½	.01½	.01½
No	.05	.01½	Baltac	......	.02½	.....	.....	.....
1	.07½	.05	Brit. Dominion	......	.05	.....	.....	.....
1	.25	.06	Crow's Nest	700	.09	.09	.08	.09
No	.08½	.01	Devenish	1,000	.02½	.01½	.01½	.01½
No	.11	.04½	Freehold	300	.04½	.05	.05	.05
No	.04½	.03	Hargal	......	.03	.....	.....	.....
No	.15	.08½	High Sarcee	1,500	.12½	.13	.11½	.13
No	.01½	.00½	Madison	25,000	.00½	.00½	.00½	.00½
No	.17	.07	Marjon Oil	10,300	.11	.12	.11	.11
No	.05	.02	McD. Segur Ex.	......	.03	.....	.....	.....
1	.48	.35	McLeod	200	.40	.39	.39	.39
No	.14½	.09	Mercury	7,900	.11	.12	.11	.11½
No	.14	.07	Mill City Pete.	300	.09	.08	.08	.08
No	.06½	...	Okalta	1,000	.05	.03½	.03½	.03½
No	.10½	.02	Pacalta Oil	1,000	.03½	.04	.04	.04
1	1.17	.31	Ranchmen's	3,000	.36	.36	.34	.34
No	.01	.01	Richfield	......	.01	.....	.....	.....
1	.28	.15	Spooner	......	.19	.....	.....	.....
No	.10	.03½	United	1,000	.05	.04½	.04½	.04½
No	.14	.04	Vanalta	......	.04	.....	.....	.....
1	.05	.04	Wellington Oil	......	.05	.....	.....	.....

DIVIDEND PAYERS

Company	Rate	Yield	Company	Rate	Yield
Acme Gas	2c.	.....	McIntyre	$2	5.44
Anglo Huronian†	40c.	.....	McKinley Sec.	2½c.	.....
Buff. Ankerite	20c.	8.00	Model Oils	3c.	.....
Bulolo Gold‡	1.20	.....	Nipissing	12½c.	.....
Calgary & Ed.	5c.	.....	Noranda	$1	.....
Coast Brew.	92c.	6.57	Nor. Canada†	2c.	.....
Coniagas‡	12½c.	.....	Petrol Oil‡	3c.	.....
Cons. Smelters	$1.25	.....	Premier	12c.	8.39
Dome Mines	$2	5.15	Pioneer, B.C.	80c.	8.51
Falconbridge	7½c.	.....	Reno	12+2c.	13.30
Hollinger	65c.+5c.	5.14	Royalite	75c.	.....
Howe Sound	$3	.....	San Antonio	7c.	.....
Howey Gold	3c.	.....	Siscoe	20c.	7.75
Hudson Bay†	50c.	.....	So. Amer. Gold	10c.	.....
Int. Coal & Coke	1c.	.....	Sunshine	30c.	.....
Inter. Mining	15c.	.....	Sylvanite	20c.	9.30
Int. Nickel c.	80c.	.....	Teck Hughes	40c.	9.80
Kirk. Lake†	3c.	.....	Toburn	8c.	7.84
Lake Shore	2+50c.	4.11	Wright-Har.	40+5c.	5.44
Macassa	5c.	.....			

†Interim. ‡Initial.

Municipal Finances

Calgary finances are in a "serious" position avers Mayor Andrew Davison. The city's bank credit for the year has been used and further credit is needed to meet September payrolls and accounts. The mayor says $455,000 is needed to forestall default this year. Tax revenues to July 31 totalled $2,836,705, a slight increase over the 1934 period. Collections of current taxes totalled $2,387,009, about 57 per cent of the current levy. Some 34.7 per cent of last year's arrears were collected in the period. In the first seven months of 1934 collections were 55.25 per cent of the current levy and 29.28 per cent of arrears. Deficit of municipal hospitals for the first seven months was $38,531, against $55,754 in the 1934 period.

* * *

Guelph has received payment of $5,130, one quarter's dividend from Guelph Junction Railway Board.

* * *

St. Anne, Chicoutimi county, Que., is now paying coupons due July 1 and Nov. 1, 1934, and interest on matured but unpaid bonds.

* * *

Vancouver current tax collections to Aug. 15 are substantially above those for 1933 and 1934 in both volume and percentage, despite lower assessment. Comparison of collections follows:

Vancouver Tax Collections to Aug. 15

	Levy	Collections	%
1935			
Current	11,069,492	8,271,008	74.72
Arrears	7,869,635	*1,355,624	17.23
	18,939,127	9,626,632	50.83
1934			
Current	12,004,700	7,702,785	64.16
Arrears	6,871,636	1,387,349	20.19
	18,876,336	9,090,134	48.16
1933			
Current	12,635,804	8,036,864	63.60
Arrears	5,024,576	1,063,673	21.17
	17,660,380	9,100,537	51.63

*Including consolidated tax arrears collections $380,667.

* * *

Victoria spent $342,841 on unemployment relief in 1934, being over one-fifth the general tax levy. Mayor David Leeming comments: "This drain on our resources cannot continue indefinitely." Finances of the city, he says, have been conducted on strictly orthodox lines and all debenture payments have been met in full. This has only been accomplished by the strictest economy, he states.

* * *

Edmonton land and building assessments have declined so sharply since 1932 that assessments at a greater percentage of value may be attempted. The 1935 assessment for land, buildings, etc., was $54,608,765, a decrease of $9,728,000 since 1932. Thos. Walker, city assessor, stated that if council considers new assessment should be made he would suggest increasing the percentage assessment on buildings. At present buildings are assessed at 60 per cent of the valuation and homes at 50 per cent.

* * *

Forest Hill village, Ont., is planning to install its own electric plant. At present it buys its power from York Township Hydro. It will be necessary for the village to put up a building and install transformer equipment, for which borrowing would probably be necessary.

* * *

Toronto tax collections to Aug. 24 show substantial improvement over those in the 1934 period despite a late levy this year. Comparisons follow:

Toronto Tax Collections to Aug. 29

	1935	1934
Levy for year	35,521,338	34,903,843
Arrears Jan. 1	11,467,591	12,065,416
Collections:		
Current	23,180,119	22,061,844
Per cent	65.26	63.20
Arrears	6,095,236	5,938,022
Per cent	53.06	49.21

Effect Gurney Foundry Alteration of Capital

Supplementary letters patent have been issued at Ottawa dated Aug. 8, 1935, altering the share capital of Gurney Foundry Co. Ltd. so as to allow completion of the capital reorganization approved by bondholders in June.

Authorized capital stock of the company was formerly $2,000,000 all in common shares of $100 each. This has been changed to 54,600 non-cumulative preferred shares of $5 each and 17,270 common shares of $100 each, a total of $2,000,000. Under the reorganization, three preferred shares will be issued to bondholders for each $100 of bonds, representing consideration for interest arrears.

Public Utility Earnings

Brazilian Traction

July—	1935	1934	Decrease
	$	$	$
Gross earn.	2,565,892	2,659,814	93,922
Oper. exp.	1,171,026	1,213,788	42,762
Net earn.	1,394,866	1,446,026	51,160
Seven Months—			Increase
Gross earn.	17,778,279	17,110,262	668,017
Net earn.	9,579,171	8,794,432	784,739

East Kootenay Power

July:	1935	1934
	$	$
Operating revenue	37,116	34,829
Operating expenses	10,993	11,566
Net revenue	26,123	23,263
Four Months to July:		
Operating revenue	145,374	136,976
Operating expenses	45,024	45,676
Net revenue	100,350	91,300

Canada Northern Power

July:	1935	1934
	$	$
Gross revenue	366,733	341,408
Operating expenses	138,046	121,547
Net earnings	228,687	219,861
Seven Mos. end. July 31:		
Gross revenue	2,526,300	2,343,358
Operating expenses	937,320	789,942
Net earnings	1,588,980	1,553,416

Metal Prices

New York—Aug. 27—

Copper: Electrolytic spot and future, $8.50.

Silver: 65¾c.

London—Aug. 27—

(Long Ton)—

Copper: Electrolytic spot, £37 10s; future, £37. Standard spot, £33 12s. 6d; future, £34.

Tin: Spot, £220 10s; future, £210 12s. 6d.

Lead: Spot, £16; future, £16.

Zinc: Spot, £15 7s. 6d; future, £15 12s. 6d.

Gold: 139s. 9½d.

Silver: 29d. per ounce.

Canada—Aug 27—

Gold: $35.06.

Company Earnings

Acadia Apartments

Acadia Apartments Ltd., Montreal, reports income for the fiscal year ended April 30 last, after deducting operating expenses and taxes, but before depreciation and bond interest, of $30,911. This is in contrast to $21,105 for the preceding year. The improvement in net earning power is accounted for by the increase in the number of apartments rented.

Taxes have been paid to date, and on Sept. 1, interest will be paid on the first mortgage bonds in respect to the coupon due on Sept. 1, 1933. Based on revenues from existing leases, the management hope that it will be possible to pay another half-yearly coupon within twelve months.

Silverwood's Dairies

Silverwood's Dairies Ltd., London, had an increase of nearly $500,000 in sales and a gain of $43,140, or 41 per cent in net profits in the year ended March 30, 1935, compared with the preceding year. Net profits were the equivalent of $5.08 on each seven per cent preferred share compared with $3.61 a share in the 1933-34 year. Dividends of $1 a share quarterly on the preferred were halted April 1, 1935, to enable the company to pay off a bank loan of $125,000 incurred in connection with purchase of a large plant in Toronto. Complete details of the report, particularly balance sheet figures will not be available for some time. They will show as a current liability at March 30, the greater part of the bank loan aforementioned. Since March 30, most of the loan has been repaid with consequent improvement in working capital position. Complete repayment would allow resumption of partial dividends.

Consolidated Profit and Loss Account Years Ended March 30

	1935	1934
	$	$
Sales	7,164,305	6,679,325
Less: Cost of material	4,266,011	3,949,100
Wages & direct exps.	1,860,999	1,787,783
Gross profit on sales	1,037,295	942,442
Add: Cab't. rents & other rev.	66,071	79,964
Gross trading profit	1,103,366	1,022,406
Less: Admin. exps.	583,454	541,966
	519,912	480,440
Less:		
Amort. pat. license	10,000	10,000
Int. on debs., mtges., purch. agree'ts	68,958	70,522
Depreciation	252,986	239,947
Prov. Dom. inc. tax	32,152	25,605
Prov. Prov. corp. tax	7,455	9,145
Net profit	148,361	105,221
Earn. per pfd. share	$5.08	$3.61
Divs. per pfd. share	*3.00	4.00

*Payment $1 quarterly passed April 1, 1935.

Brewing Corporation

Brewing Corporation of Canada had a major gain in operating earnings in the quarter ended July 31, 1935, compared with the 1934 quarter. Taxes rose nearly as much, so that net profit was only $36,000 ahead of the 1934 quarter. The company expected profits to rise considerably more in the quarter than they did.

Improvement of earnings for the 12 months ended July 31, 1935, is more marked than for the quarter. This, of course, is due to a full year of free beer sale in Ontario whereas a year ago free sale had only started. For the full year, the profit was insufficient to cover half a year's preferred dividend. While working capital at July 31 was below that of a year previous, it is expected to rise in the last quarter of the year which ends Oct. 31.

Income Account Quarter Ended July 31

	1935	1934
	$	$
Operating profit	1,016,345	849,628
Less: Taxes	745,928	618,032
Other exps.	*7,164	*7,427
Interest	20,019	18,804
Depreciation	90,519	89,124
Profit	167,043	131,095
12 Months Ended July 31		
Operating profit	2,832,202	1,776,516
Less: Taxes	2,225,154	1,682,013
Other exps.	*37,292	721
Interest	75,851	81,350
Depreciation	364,976	330,405
Profit	203,513	†317,973

*Income. †Loss.

Working Capital

	July 31 1935	July 31 1934
	$	$
Current assets	2,447,559	2,467,237
Current liabilities	1,265,381	956,648
Working capital	1,182,178	1,510,589

North Amer. Elevator

Restricted export movement of grain was the chief factor in North American Elevators, Ltd., showing a loss on the past year. Although the company states that it enjoyed its full proportion of such business as was available, there was a net loss of $8,796 in the fiscal year ended April 30, 1935. Comparative figures for the previous year are not available.

James Plaiyfair, president, states that "owing to the continued restrictions, it is difficult to forecast what the immediate future has in store, but with the large stocks of wheat held over from last year, and also the prospects of an excellent crop which is now growing, it is not unreasonable to expect that an increased export movement must come."

Income and Surplus Account Year Ended April 30, 1935

	$
Gross earnings	124,746
Less: Oper. expense	48,494
Adminis. expense	25,425
Operating profit	50,827
Less: Depreciation	27,455
Bank interest	9,427
Bond interest	22,741
Net loss	8,796
Working Capital	
Current assets	53,475
Current liabilities	22,337
Working capital	31,138

Gunnar Reports Rich Ore Shoot On 750 Ft. Level

With an estimated 85,000 tons of ore blocked out, Gunnar Gold Mines is definitely going ahead with construction of its 150 ton mill, The Financial Post learns from a director of the company. Cement is to be poured for the foundation of the mill within a few days, and it is hoped that the new mill will be ready to turn over by March of next year.

Meanwhile underground exploration work is going ahead, with cheery results from the 750 ft. level, the lowest level to date. Here, officials report, an ore shoot has been drifted on for a distance of 254 ft. The last 100 ft. of this ore shoot have shown values of ¾ of an ounce over a width of 3½ ft., the company's engineer reports. The mining plant on the property is capable of continuing the three compartment shaft, now down to 770 ft., to a depth of 1,250 ft.

Cons. Oil Productions

The year ended June 30 last was the most successful in the history of Consolidated Oil Productions, net profit before depreciation and reserve for income taxes amounting to $50,742 as compared with $42,026 in the year ended June 30, 1934. Net profit after depreciation and reserve for income tax was $36,494.

Reflecting continued improvement in the company's operations revenue increased from $49,082 in the 1934 fiscal period to $60,548 in 1935.

Marked improvement is shown in the company's balance sheet position, current assets increasing from $29,061 as at June 30, 1934, to $41,723 as at June 30, 1935. Current liabilities, on the other hand, only increased by $4,911 to $5,246. Cash on hand at $35,507 is $19,057 higher.

Bank loans and accounts payable in equal monthly installments and secured by assignment of four-tenths and three-tenths interests respectively in a property in Seminole County, Okla., are not included in current liabilities. During the 1935 fiscal period bank loans were reduced from $25,420 to $5,320 and deferred accounts payable from $49,705 to $19,344. Since the end of the fiscal year this latter amount has been further decreased by $17,000, leaving a balance of $2,344.

During the year 19,735 preferred shares were converted into common stock at the rate of 11 common shares for one preferred. Several thousand additional shares have been converted since the close of the financial period and it is expected that very shortly all preferred shares will be exchanged for common shares, according to I. Schlank, president.

Through a typographical error bank loans were shown in a recent issue at $65,420 as at June 30, 1934, instead of $25,420.

Income and Surplus Account Years Ended June 30

	1935	934
	$	$
Income:		
Produc., rent. & roy.	59,926	48,341
U. S. exchange	4	276
Interest	......	372
Profit on invest.	618	93
	60,548	49,082
Less expenditure:		
Oper. exps. of wells	5,064	2,472
Salaries	1,610	2,720
Rent	465	300
Postage & stationery	676	223
Office expense	148	......
Bank charges	289	494
Travelling	208	377
Transfer fees	418	316
Tele. & Telegrams	240	......
General expense	698	155
Net earnings	50,742	42,026
Less: Depletion	10,748	......
Res. for income tax	3,500	......
Net profit	36,494	42,026
Less preferred divid.	41,711	34,336
Surplus for year	*5,217	7,690
Add: Previous surplus	12,623	4,933
Bal. carried forward	7,406	12,623

*Deficit.

Working Capital As at June 30

	1935	1934
	$	$
Current assets	41,724	29,061
Current liabilities	5,246	334
Working capital	36,478	28,727

Inter. Hydro Electric

Balance of earnings added to surplus by International Hydro Electric System in the first quarter of 1935 was practically the same as in the corresponding period a year ago. According to an interim report published by the company increased operating revenues and lower interest charges were largely offset by higher operating expenses and taxes. For the balance of 1935, earnings are not expected to compare equally favorably with 1934, as starting about the beginning of April substantial rate reductions were put into effect by many of the subsidiaries of New England Power.

At the end of last March consolidated funded debt of the System showed a reduction of $1,506,806, and consolidated net working capital an increase of $823,350 as compared with December 31, 1934.

In view of the uncertainty over the Ontario Hydro contracts, rate reductions, higher taxes, etc., the management is continuing its policy of using any available cash resources to reduce outstanding debt and otherwise strengthen the position of the company.

Profit and Loss Account Quarter Ending March 31

	1935	1934
	$	$
Total revenue	16,331,446	16,173,812
Less expenses:		
Operating	4,743,121	4,480,290
Maintenance	861,331	877,625
Taxes (other than income)	1,837,939	1,735,507
Net revenue	8,889,055	9,080,390
Deduct:		
Int. on subsids. debt	3,224,499	3,317,193
Int. on debent. of I. H.-E. System	412,590	438,515
Amort. debt disct.	229,792	226,073
Depreciation	1,344,727	1,371,590
Prov. income taxes	593,233	588,599
Divds on pref. stocks of subsids.	1,736,005	2,089,530
Divds. not being paid on pref. stocks of subs.	404,299	34,706
Minority interest	46,375	374,529
Balance added to surp.	597,535	639,655
Prev. surplus	8,491,389	10,485,529
	9,088,924	11,125,185
Deduct:		
Amort. of options on shs. of N. E. Pwr. Assn.	31,125	31,125
Prior yr. tax. & adj.	225	......
	9,057,574	11,094,060
Less: Cash divd. on I. H.-E. Sys. pfd. stk.	......	122,839
Earned surplus	9,057,574	10,971,221

Undeclared cumulative dividends at March 31, 1935: (1) pref. stock, July 15, 1934 to March 31, 1935—$347,894.94; (2) class A stock, April 15, 1932 to March 31, 1935—$4,977,296.45; (3) class B stock (all held my Internat'l Paper Co.) April 15, 1929 to March 31, 1935—$4,563,586.50.

The above statements are subject to final adjustment at December 31 (end of fiscal year.

Railway Earnings

Canadian National Railways

July:	1935	1934
	$	$
Operating revenues	14,886,392	13,993,275
Operating expenses	13,765,01	13,304,830
Net revenue	1,121,381	688,445
Aggregate to July 31:		
Operating revenues	95,029,714	93,490,022
Operating expenses	91,729,269	88,423,037
Net revenue	3,300,445	5,066,985

McWatters Gold Mines Sets New Daily Record

McWatters Gold Mines report that bullion production for the first 12 days of August has been valued at about $27,000 with output for one day last week establishing a new daily record when over $5,000 was recovered.

A width of over 40 ft. has been shown on the No. 106 stope. This stope has recently been slashed out over a width of 50 ft. with values averaging one ounce of gold per ton. The raise being put up from the 275-ft. level on the 104 shear is reported to be in good ore but no details as to value and width are available.

Saskatchewan Butter Output

Commercial creamery butter production reached an all time high in Saskatchewan in July with a total of 4,135,800 pounds. This is an increase of 12 per cent over July, 1934.

The increase was largely accounted for by the improved pasture situation in southern Alberta where in 1934 and 1933 a serious drought prevailed.

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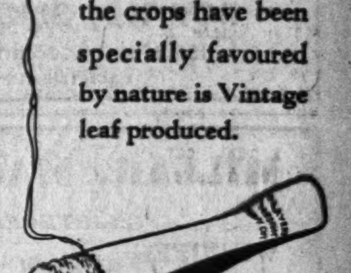

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SMALL CREW WORK DELTA

Shaft at Last Report Down 35 Feet

From Our Own Correspondent

SUDBURY.—A small force of a dozen men, are engaged by Delta Metals property in Drury township near Worthington, in sinking a shaft, which, at last report was down about 35 ft. It is understood the objective is to sink to a depth of 80 or 100 ft. and then undertake lateral operations to open up the deposits, claimed to contain gold, nickel, vanadium, platinum and silver.

The work is under the supervision of Robert C. McLaren, of Sudbury. Power is provided by a steam boiler.

Some months ago Chas. G. Hyett, president, stated that arrangements were made to finance the Delta on a loan basis with a bonus of 490,000 shares.

Later it was announced that a smelter was to be constructed in Hamilton, although at the time no development had taken place at the property, and months would be required in any event to explore the holdings and put any substantial body of ore into sight.

Ontario Dept. of Mines Issues Matachewan Map

A new map of the Matachewan-Kenogami area, District of Timiskaming, Ontario, has been issued by the Ontario Department of Mines to accompany a forthcoming report by W. S. Dyer on the area in 1935.

The map covers the townships of Baden, Powell, Alma, Cairo, Holmes, Flavelle, Gross, Burt, Eby and Blain. The number of the map is No. 44b. Sometime ago the townships of Cairo and Powell were shown on a larger scale and in greater detail on Map No. 44a.

Properties in this area include Young Davidson Mines, Matachewan Consolidated, Bloom Lake Consolidated, O'Connell Gold Mines, Margo Mines, Arbade Gold Mines, Woman River Gold Mines and Lucky Kirkland Gold Mines.

International Mining Corp. Enters Parkin Twp. Dist.

From Our Own Correspondent

SUDBURY. — Parkin township area, north of Sudbury, where Consolidated Smelters has a force of men busy surface prospecting a group of 28 claims, is still causing moderate activity, and it is learned unofficially that International Mining Corp. has staked six claims in the township and will begin surface work.

Pickle Crow Recovery $22.76 Per Ton in July

Production at Pickle Crow Gold Mines during July amounted to $107,279, final revised figures from the company state. The average recovery during the month was $22.76 per ton. Source of the ore was, in equal amounts, the first level, second level and the development dump.

It is officially stated that the loan of $170,000 granted by John Hammell, president, has now been entirely repaid leaving a balance of around $30,000 in the treasury.

DENY ORE PICTURE CAUSE OF DECLINE IN RENO'S SHARES

Liquidation Due to Margin Position Seen as Factor

BRITANNIA DEAL

Old Tyee Consolidated Holdings May Fall Into Hands of B. M. & S. Co.

From Our Own Correspondent

VANCOUVER.—Directors of Britannia Mining & Smelting Co. state that they are negotiating for the Tyee Consolidated Mining Co.'s holdings at Mount Sicker, Vancouver Island. If the deal is completed, Britannia will acquire 75 per cent of the Tyee stock. Reports emanating from Victoria that the transaction had been closed on this basis were said to be premature.

In the event of the Tyee passing into the hands of Britannia, the optioning company will dewater the old workings and conduct a thorough underground examination of the three mines, Tyee, Lenora and Richard III, which were all important shippers 30 years ago. If developments warrant, it is proposed to establish a flotation mill on Mount Sicker.

* * *

Reno Recession

Recession in stock of Reno Gold Mines caused some surprise in coast exchanges during the past week. There has been a rumor that the ore at the east end of the ninth level has not been showing up as well as formerly, but A. E. Sutton, secretary, declares that there is no confirmation of this. One factor possibly affecting the stock is the resignation of W. R. Lindsay as manager. He will take over control of Hedley Mascot, succeeding W. A. Asseltine, M.L.A. Another explanation is that Reno was a margin stock as long as it held above the dollar mark. It carried a 50 per cent margin above that price, but as soon as it fell below no margin was possible, and brokers have been calling customers for cash, with the result that there has been considerable liquidation.

* * *

Cariboo Mill Rate

The enlarged mill at Cariboo Gold Quartz near Barkerville has now entered production at the rate of 150 tons capacity daily.

* * *

Unuk Area Opening Up

Recent discoveries in the Unuk River country, combined with entry of Premier Gold Mining Co. into that area, are expected to lead to important developments. The region may produce both lode and placer gold, according to advices from Stewart. Most of the mining in the Unuk has so far been confined to primitive methods, but the results are reported to be encouraging. Gavin Dirome, engineer, and several others representing Premier, have flown into the Unuk country and will probably re main a couple of months. A Prince Rupert syndicate has also staked ground on the Unuk.

* * *

Deal for Georgia River

J. H. Hemsworth, Vancouver broker, has proposed to shareholders of Georgia River Gold Mining Co., that a private company to be known as Gold Leasers, Ltd., take a lease on the Georgia River property, now owned by Helena Gold Mines, for a specified period, and undertake to build and operate a small concentrator, the plant to become the company's property at the expiration of the lease December 31, 1937. The company would get 20 per cent of the net smelter returns. Creditors have agreed to withhold action during the term of the lease, says Mr. Hemsworth.

Gods Lake Mill All Set to Go

From Our Own Correspondent

WINNIPEG. — Gods Lake Gold Mines mill at Gods Lake is all set up and is being gradually tuned up. Power from Kanuchuan is not yet being delivered but has actually been turned on at the plant and will be available in plenty of time for the date set for the formal opening of the mill. In the meantime the local power plant is being used for the purpose of getting the mill into shape and generally running-in the plant. It is quite evident, however, that R. J. Jowsey has been allowing himself and the operating officials plenty of latitude when he said the mill would be running by mid-September.

FRENCH CAPITAL MAY ENTER B. C. VIA B.R.X. CHANGE

Reorganization of Prominent Bridge River Mine Before Shareholders

From Our Own Correspondent

VANCOUVER. — Pending ratification of shareholders, a financial reorganization of B. R. X., one of the Bridge River's best known gold properties has been arranged, which it is hoped will result in investment of considerable British and French capital.

The proposed deal is renewed indication of the interest being taken in British Columbia mines by British and continental capitalists. B. R. X. has for several years been supported to a considerable extent by British money, Sir Kenneth Crossley, Bart., being one of the directors.

The new financial set-up is proposed as a sequel to the recent examination of the property by Andre Fonville, French mining engineer who represented a group of French capitalists. Fonville came here at the solicitation of Major A. E. Jukes, head of B. R. X., who recently returned from England.

Form New Company

While the company has about $25,000 in the treasury, need for additional funds to carry out a reasonable expansion programme became apparent this summer.

The plan now being placed before shareholders is that a new company be formed with a capital of 3,750,000 shares of 50 cents par value. Net result of the deal will be to place at the company's disposal $500,000 of new money. To the B. R. X. company 1,250,000 of the new shares would be delivered, and the remainder would be turned over to the British and French interests, to net the new company 20 cents a share.

Current Chatter From Manitoba

From Our Own Correspondent

WINNIPEG. — Vanson Manitoba mines is closed down indefinitely. Water is being allowed to flood the shaft and the future is somewhat obscured. About $150,000 has been spent on the property and a shaft sunk to the 250 ft. level. While rich shoots of ore were encountered, at no place did it seem possible to find and delimit a commercial ore body and Vanson directors rather than spend further money decided to conserve their resources. They still have cash in the bank and machinery, the latter worth about $35,000.

* * *

McCafferty Results

McCafferty property at Herb Lake is just about ready for shaft sinking, according to W. E. Bailor, under whose direction a big programme of diamond drilling is now complete. Altogether more than 9,000 ft. of diamond drilling has been done on the McCafferty with results that indicate the necessity of shaft sinking.

The main vein over a length of 800 ft. shows an average value of $7.65 over mineable width, while at a depth of 300 ft., 700 ft. shows an average value of $8.65. Interspersed in the lengths are several ore shoots of good dimensions which show ore of much higher values, ranging up to $15 or $16 per ton. Some of these shoots have been drilled for 200 ft. in length.

Depth drilling, showing the continuation of the vein, has been carried to between 600 and 700 ft. vertical depth, but not over the entire length, and in many holes there were free gold showings, which for the purposes of assays were eliminated.

* * *

Huronic Plan Shaft

Huronic Mines is preparing to sink a shaft. For practically a year now and after spending close to $40,000 Huronic has been testing its property as far as a property may be tested from the surface. Huronic is about 20 miles west of the San Antonio.

Under the direction of J. W. Higgins, managing director, a portion of the present summer's work has been directed to investigation of the surface indications. A break, already traced for 400 ft. shows a width of 13 ft. well mineralized. It has been trenched and cleared for most of the 400 ft. and samples have been taken although assay results have not yet been obtained. It is now to be inspected by C. B. Dawson, consulting engineer for the company.

What is known as the main break is 850 ft. long and has a surface width of about 7 ft. This has been testpitted and it is now proposed to continue the deepest of these pits, now down about 18 or 20 ft. to 125 feet and then to drift 200 ft. in both directions along the vein.

* * *

Wekusko Drilling

Wekusko Gold Mines holding one of the original properties on the shores of Herb Lake has been drilling under the direction of the W. E. Bailor Co., two drills working with the likelihood that the present programme will be extended.

McMILLAN TO PAY DEBT OF $221,407 BY ISSUING STOCK

Shareholders Approve Move — Told Hope Lies in Lower Levels

From Our Own Correspondent

SUDBURY.—McMillan Gold Mines shareholders, at a special meeting here Friday, approved of the by-law submitted by the directors authorizing the company to execute an agreement between the shareholder creditors and the company to allot to the former 554,011 shares of capital stock in settlement of the debts of the company, amounting to $221,407. The outstanding liabilities of the company are thus discharged.

Another by-law authorizing the sale of 1,000,000 shares of capital stock at a discount of not more than 90 per cent was also approved.

George W. Miller, president, denied it was the intention of the company to sell the million shares by which the capital has been increased, at 10 cents per share. He stated that 554,011 shares had been sold to the creditors, to net the company 39.66 cents per share, and in addition 35,000 shares had been disposed of to other interests at 35 cents per share. The remaining 448,926 shares would not be sold as the company had sufficient cash on hand and in the treasury to take care of its present requirements. The mine was paying its way and should continue to do so during the period in which shaft-deepening would be carried out. Only if the mine could not pay for its development would the stock be sold.

To Probe Depths

Mr. Miller was optimistic of the outlook at McMillan, and said: "It is my intention to continue development of this property so long as our resources will allow, to give it a thorough test to produce a paying mine that many people think is at the deeper horizons, and that until we are able to extend our ore reserves it is not possible to think of a distribution to shareholders, but with our plant working in an efficient manner and being entirely free of debt we could be in a position to make a return to shareholders in a very short time if we can encounter sufficient good grade ore by our present development on the seventh and eighth levels. We should know this within the next two months."

Mr. Miller was elected president to succeed Mr. Rufus L. Patterson, of New York, who retired because he was too far away from the scene of operations. A close relationship is still held with the New York interests who hold by far the greatest equity in McMillan.

June Coke Output Gains

The production of coke in Quebec, New Brunswick and Nova Scotia during June and the first six months of the year is reported by the Dominion Bureau of Statistics at 56,642 tons and 349,299 tons respectively, compared with the 1934 totals of 49,965 tons and 301,827 tons.

WR.-HARGREAVES DIVIDENDS TOTAL 60 CENTS IN 1935

Regular Plus Five Cents Extra Declared Payable October 1

Dividend distributions of Wright-Hargreaves in the current calendar year will be five cents per share higher than in 1934 as a result of the declaration of another extra of five cents per share payable Oct. 1 along with the regular quarterly disbursement of 10 cents per share. Both the regular and extra dividends are payable to shareholders of record. Sept. 10.

This increase in disbursements over the 1934 calendar year when distributions to shareholders were exactly double the amount disbursed in 1933 reflects continued improvement in the company's operations. Profits for the fiscal year which closes Aug. 31 are expected to at least equal the record breaking 12-month period ended Aug. 31, 1934, when net profit was equivalent to 70 cents per share. Dividend requirements of $3,300,000 are certain to be earned by a wide margin.

Production during the current fiscal has been considerably higher than in the previous year and should be in excess of $7.5 millions as compared with $7.1 millions in the year ended Aug. 31, 1934. Net profit in the first half of the fiscal period, that is in the six months ended Feb. 28, was estimated at 36.3 cents per share before depreciation and adjustment charges. Increased taxes and opeating costs have to a large extent offset the increase in production.

The comeback staged by Wright-Hargreaves, largely as a result of the higher price of gold, is one of the most remarkable in Canadian mining history. In 1929, owing to diminishing ore reserves and difficulty in keeping the mill supplied with ore, the company curtailed production and suspended dividend payments. In some quarters it was felt that the company's life as a large producer was drawing to a close. Many lost confidence in the property.

It was at this stage that the company undertook an aggressive underground development programme. The results were gratifying to management and shareholders alike. The development programme yielded excellent results and a large amount of ore was developed. Since that time the company has been continually expanding its operations which in the current year have been on a larger scale than ever before in its history.

Parkhill Gold Mines Recovery Up in July

From Our Own Correspondent

MONTREAL. — Parkhill Gold Mines report July gold production of $29,500. This is in contrast to $32,800 in the previous month.

Tonnage milled in July amounted to 1,728 tons, as against 2,067 in June, the decline being caused by two weeks shut-down of the tube mill. July production, however, brought the total recovery for the ten months ended July 31 to $251,981 from 16,578 tons milled. Average daily milling was 54.5 tons and the average recovery $15.20 per ton.

The company further reports that development on the No. 2 vein at both the ninth and the tenth levels east continue to produce a good grade of ore over a satisfactory width.

The BACHELOR'S CORNER

I read in the paper the other day about a man who was going to allow himself to be made into a human icicle in the interest of science. He plans to be frozen into a state of suspended animation at thirty degrees below zero, and then revived—if! I thought it might be the hot weather, but, as nearly as I could make it out, there's a theory that a lot of troubles the flesh is heir to can be destroyed this way.

I don't know much about bio-chemistry but I'm a pretty good rule-of-thumb psychologist. When the bugs and germs of worry and trouble alight in my mind and settle down for a long stay, like a successful man's in-laws, I know what to do. I loosen my collar, light up a Bachelor and *relax*. That state of "suspended animation" works like a charm!

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